

Annual report

NSW Electoral Commission
2019–20

The Hon G Berejiklian MP and The Hon D T Harwin MLC
Department of Premier and Cabinet
52 Martin Place
SYDNEY NSW 2000

30 October 2020

Dear Premier and Minister

Annual report of the NSW Electoral Commission

We are pleased to submit our *Annual report* for the financial year ended 30 June 2020 for presentation to Parliament.

This report is prepared in accordance with the requirements of the *Annual Reports (Statutory Bodies) Act 1984*. The NSW Electoral Commission's financial statements are general purpose financial statements that have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*, and the Treasurer's Directions issued under the Act.

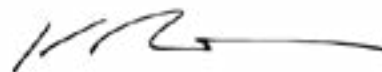
The report details our election operations and activities, including the 2019 Aboriginal Land Council elections and services provided to registered clubs, statutory boards and industrial organisations. We also report on our work during the year against our strategic initiatives.

The report also outlines our activity in regulating election funding and third-party lobbyists – including administering public funding and ensuring compliance with election funding, expenditure and disclosure requirements. We detail our management of electoral funding, disclosure and compliance, the maintenance of the NSW Register of Third-Party Lobbyists, and our actions in responding to allegations about breaches of the relevant statutory obligations.

Yours sincerely,



John Schmidt
Electoral Commissioner for New South Wales



The Hon Keith Mason AC QC
Chairperson, NSW Electoral Commission

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All tables and figures are sourced to NSW Electoral Commission unless stated otherwise. This report was produced using internal resources. To reduce our environmental impact, this report can be downloaded from our website at elections.nsw.gov.au

The NSW Electoral Commission acknowledges the traditional owners of country throughout New South Wales and their continuing connection to the land, sea and community. We pay our respect to Elders past, present and emerging.



NSW Parliament facade – image supplied by Parliament of New South Wales.

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Foreword by the Chairperson of the Electoral Commission



I am pleased to present the New South Wales Electoral Commission's *Annual report* for 2019-20. The report sets out the work undertaken by the three-member Electoral Commission, the Electoral Commissioner and the NSW Electoral Commission Staff Agency over the past financial year. These mutually supporting agencies perform vital roles that underpin key aspects of the constitutional democracy with which this federation is blessed.

The Electoral Commission met seven times as well as conducting business out of session as required. Major functions include monitoring and approval of funding applications by parties, commencement of prosecutions, civil actions and administrative actions under the *Electoral Funding Act 2018* and other electoral legislation, and performance of the (attenuated) regulatory functions stipulated in the *Lobbying of Government Officials Act 2011*. Many regulatory processes are exercised under delegation, but all are kept under review. Proposals for legislative reform emanating from government or the Electoral Commissioner or his staff are discussed. Each meeting includes a review of matters under current investigation including those being addressed by the Independent Commission Against Corruption.

The Electoral Commissioner and officers appeared before Parliamentary committees investigating the funding model for independent agencies and the conduct of the 2019 NSW State general election. There were reviews by the Auditor-General and the Independent Pricing and Regulatory Tribunal (IPART).

Much was done in late 2019 in preparation for the 2020 Local Government elections before these were postponed to 2021 due to the COVID-19 pandemic. Throughout this time, preparations have also been in train for the move to new office premises. In the final quarter of the year in review the Electoral Commission had to adapt its regulatory processes to meet the additional demands of the COVID-19 pandemic. Staff began working remotely, but the regular services associated with public funding, audits and registration have had to continue, with some adjustments to meet the needs of all participants.

Enforcement and other regulatory activities go hand in hand with education. Electoral Commission staff constantly engage with key stakeholders to promote awareness and compliance with changing disclosure requirements.

I congratulate the NSW Electoral Commission's dedicated staff for their diligence and cooperation. I also thank my fellow members Len Scanlan and John Schmidt, as well as my Deputy as Chairperson, the Hon Joseph Campbell QC, for their commitment and support.

A handwritten signature in black ink, appearing to read 'K Mason', written over a light blue horizontal line.

The Hon Keith Mason, AC QC
Chairperson

Report of the Electoral Commissioner



This was a year of delivery, preparation, review and change.

We delivered the third-largest election event for our state – the 2019 NSW Aboriginal Land Council elections; commenced support for the Electoral Districts Redistribution Panel as it undertakes a redistribution of the New South Wales electoral boundaries; and continued our planning for the Local Government elections.

We have made submissions to, and engaged with, Parliamentary and other reviews and inquiries, a number of which focussed on our funding model. We took the opportunity at these inquiries to raise concerns regarding the sustainability and suitability of the current funding model and our ability to discharge our legislative responsibilities under it.

The last four months of the reporting period saw almost all of our staff working remotely due to the COVID-19 pandemic. Notwithstanding the challenges raised by the pandemic, we have endeavoured to maintain the majority of our services to political participants and the people of New South Wales. Understandably, some face-to-face service and other activities were temporarily suspended or modified over the period in the interests of public health and safety.

Expectations around the role of technology in the electoral context, both for service delivery and regulatory function, continue to grow. This year we launched the first stage of the development and build of a new online portal for political participants that will allow them to register, lodge disclosures and apply for public funding. This will make it easier for political participants and the public to interact with us, as well as consume the oversight and regulatory information we are required to publish. We also extended the functionality of our online nominations management system, first implemented for the 2019 NSW State election, to facilitate Local Government election nomination processes.

With the conclusion of our *2017-20 Strategic Plan*, we have developed a new plan for the next four years. Our *2021-24 Strategic Plan* establishes a framework that supports our work delivering and protecting the integrity of our democratic processes.

I wish to commend my colleagues for their resilience and ability to continue to deliver our operations and remain engaged in a changing and challenging environment.

Finally, I look forward to 2021 and the delivery of the Local Government elections on 4 September 2021.

A handwritten signature in black ink that reads "John Schmidt". The signature is written in a cursive, flowing style.

John Schmidt
Electoral Commissioner for New South Wales

The NSW Electoral Commission

Establishment

The NSW Electoral Commission is constituted as a three-member independent statutory authority under the *Electoral Act 2017*. The three-member statutory body has functions under the *Electoral Act 2017*, *Electoral Funding Act 2018*, the *Local Government Act 1993* and the *Lobbying of Government Officials Act 2011* and is responsible for enforcing electoral, funding and disclosure, and lobbying laws.

Under the *Electoral Funding Act 2018*, the Electoral Commission has the functions of administering the election funding, expenditure and disclosure scheme, including registering electoral participants for the purposes of that scheme. It also enforces breaches of electoral legislation in relation to both funding and the conduct of elections, including elections held under the *Local Government Act 1993*. Under the *Lobbying of Government Officials Act 2011*, the Electoral Commission has the function of maintaining the Register of Third-Party Lobbyists and Lobbyists Watch List, and the enforcement of obligations relating to lobbying.

The Electoral Commissioner for New South Wales is a member of the NSW Electoral Commission and conducts State elections, local government elections (if engaged to do so), NSW Aboriginal Land Council elections and certain statutory elections. Under the *Electoral Act*, the *Local Government Act 1993* and other State laws, the Electoral Commissioner has the function of registering political parties, conducting elections and, in conjunction with the Australian Electoral Commission, maintaining the Electoral Information Register for New South Wales.

The Electoral Commissioner is also the head of the Public Service staff agency (also known as the NSW Electoral Commission). The staff agency supports the Electoral Commission and Electoral Commissioner in exercising their distinct but complementary statutory functions for delivering elections and regulating participation in the political process. The staff agency is a “separate agency” under Part 3 of Schedule 1 of the *Government Sector Employment Act 2013*.

The three-member NSW Electoral Commission provides advice to the Electoral Commissioner when requested, but cannot direct the staff agency or the conduct of elections or matters relating to the electoral roll. The Electoral Commissioner in his capacity as head of the staff agency is responsible for its day-to-day management, including financial management.

References to the NSW Electoral Commission in this report may be to either the three-member statutory body or the Public Service staff agency, as the context requires.

Relationship to Parliament

As a public sector agency, the NSW Electoral Commission is required to report to Parliament on its work and activities. In addition, the Parliament’s Joint Standing Committee on Electoral Matters (JSCEM) enquires into, and reports on, electoral laws and practices and the spending and public funding of political parties. In the exercise of their functions, neither the Electoral Commission nor the Electoral Commissioner are subject to the direction of any Minister administering New South Wales electoral legislation. This independence from executive government is set out in sections 10(4) and 12(4) of the *Electoral Act 2017*.

Our legislative environment

We are governed by various pieces of New South Wales legislation that set out how we conduct and regulate elections and the obligations of voters and political participants. This legislation includes:

- *Constitution Act 1902*
- *Electoral Act 2017*
- *Electoral Regulation 2017*
- *Electoral Funding Act 2018*
- *Electoral Funding Regulation 2018*
- *Local Government Act 1993*
- *Local Government (General) Regulation 2005*
- *The City of Sydney Act 1988*
- *Registered Clubs Act 1976*
- *Industrial Relations Act 1996*
- *Aboriginal Land Rights Act 1983*
- *Aboriginal Land Rights Regulation 2020*
- *Privacy and Personal Information Protection Act 1998*
- *Government Information (Public Access) Act 2009*
- *Government Sector Finance Act 2018*
- *Government Sector Employment Act 2013*
- *Lobbying of Government Officials Act 2011*
- *Lobbying of Government Official (Lobbyist Code of Conduct) Regulation 2014*.

What we do

The Electoral Commission's staff work across four divisions: Elections; Information Services; Funding, Disclosure and Compliance & General Counsel; and Corporate. Our work includes:

- conducting general elections and by-elections for the NSW Parliament
- conducting elections and by-elections for local government councils (if we are engaged to do so)
- conducting elections for the NSW Aboriginal Land Council
- conducting elections for registered clubs, statutory boards and State registered industrial organisations (if we are engaged to do so)
- supporting the Electoral Districts Redistribution Panel every eight years, or as otherwise required
- providing processes and guidance to assist political participants (including candidates, parties, elected members, political donors, third-party campaigners, associated entities and lobbyists) to comply with their obligations
- administering electoral funding legislation, including maintaining a scheme of public funding
- publishing political donation and expenditure disclosures and registers of political parties, candidates' agents, third-party campaigners and political lobbyists
- engaging with the public to make it easier for people to understand and participate in the democratic process
- investigating possible offences and enforcing breaches of electoral, funding and disclosure, and lobbying laws
- preparing and maintaining the Electoral Information Register (in conjunction with the Australian Electoral Commission).

Members of the NSW Electoral Commission



Hon Keith Mason
AC QC BALLB LLM

Chairperson

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



Len Scanlan
BBus BAMPubAd FAICD

Member

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



John Schmidt
BALLB MA

Electoral Commissioner

John Schmidt was appointed Electoral Commissioner for a seven-year term from 8 August 2016. From 2009 to 2014, John was the Chief Executive Officer of the Australian Transactions Reports and Analysis Centre (AUSTRAC). Previously John held senior NSW Government positions within the Cabinet Office, Department of Premier and Cabinet and Department of Fair Trading.



The Hon Joseph Campbell QC

Deputy to the Chairperson

The *Electoral Act 2017* provides that the Governor may appoint a deputy for each member. The Hon Joseph (Joe) Campbell QC was appointed as the deputy of the Chairperson in December 2014.

Joe was a judge of the NSW Supreme Court from 2001 until his retirement in 2012, serving first as a judge in the Equity Division and then as a Justice of the Court of Appeal. He has held a wide range of positions, including as a Member of the Legal Profession Admission Board, and as Member and Deputy Chair of the Legal Qualifications Sub-Committee (both positions were held until 2009). In 2013, Joe was elected as a Fellow of the Australian Academy of Law and became an Adjunct Professor at the University of Sydney.

Meetings of the NSW Electoral Commission members

Table 1. Meetings of the three-member Electoral Commission during 2019-20

Date	Attendees
14 August 2019	Keith Mason, Len Scanlan, John Schmidt, Joe Campbell
9 October 2019	Keith Mason, Len Scanlan, John Schmidt, Joe Campbell
11 December 2019	Keith Mason, Len Scanlan, John Schmidt
19 February 2020	Keith Mason, Len Scanlan, John Schmidt, Joe Campbell
8 April 2020	Keith Mason, Len Scanlan, John Schmidt, Joe Campbell
8 May 2020 (Special Meeting)	Keith Mason, Len Scanlan, John Schmidt, Joe Campbell
10 June 2020	Keith Mason, Len Scanlan, John Schmidt, Joe Campbell

Enrolment data

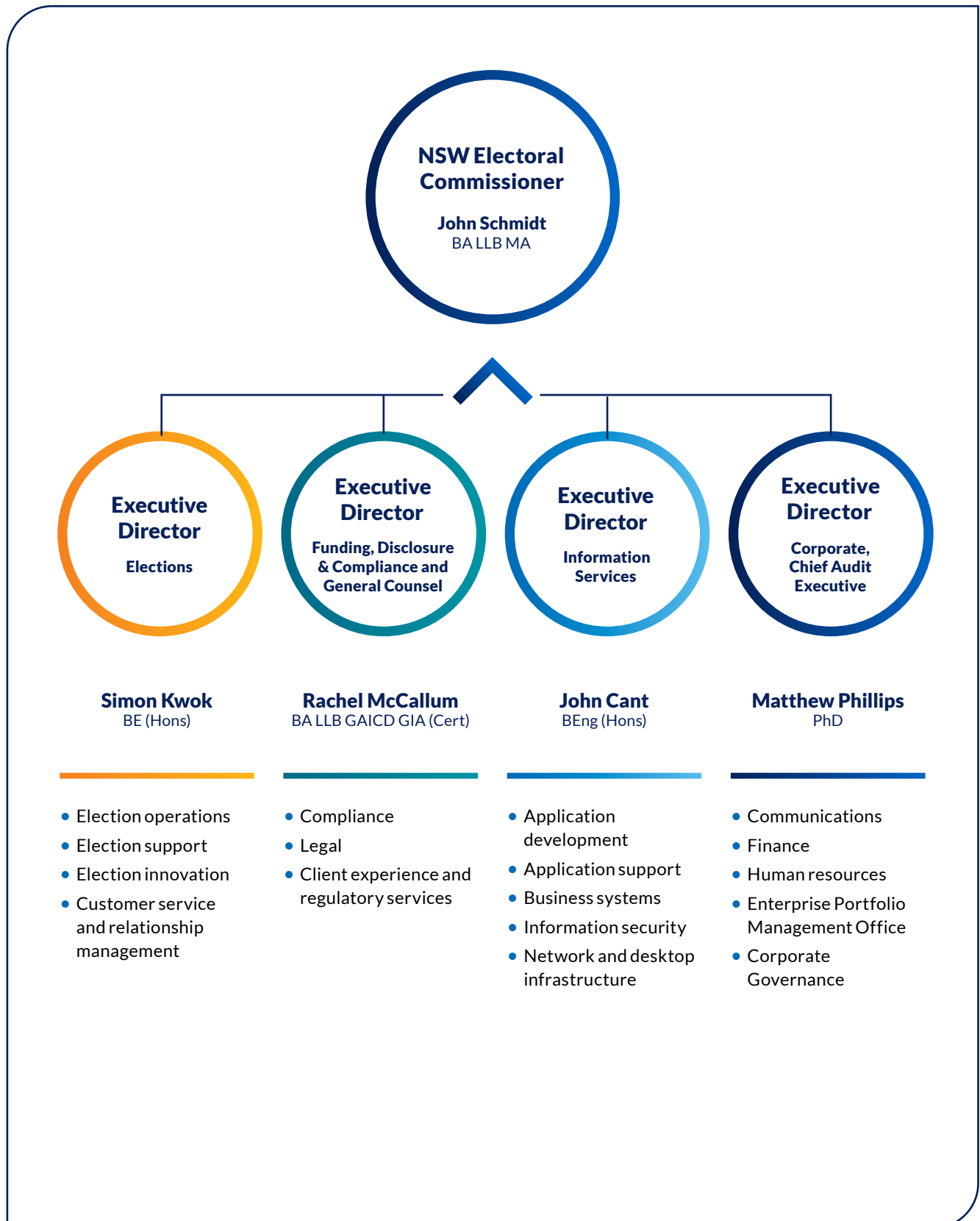
As at June 2020, 5,339,629 people were enrolled to vote, representing 98 per cent of the total estimated eligible population of New South Wales.

Table 2. NSW enrolment versus eligible population

Date	Enrolment	Enrolment as a percentage of the eligible population
June 2020	5,339,629	98.0
June 2019	5,326,532	98.8
June 2018	5,248,487	98.5
June 2017	5,211,724	97.4

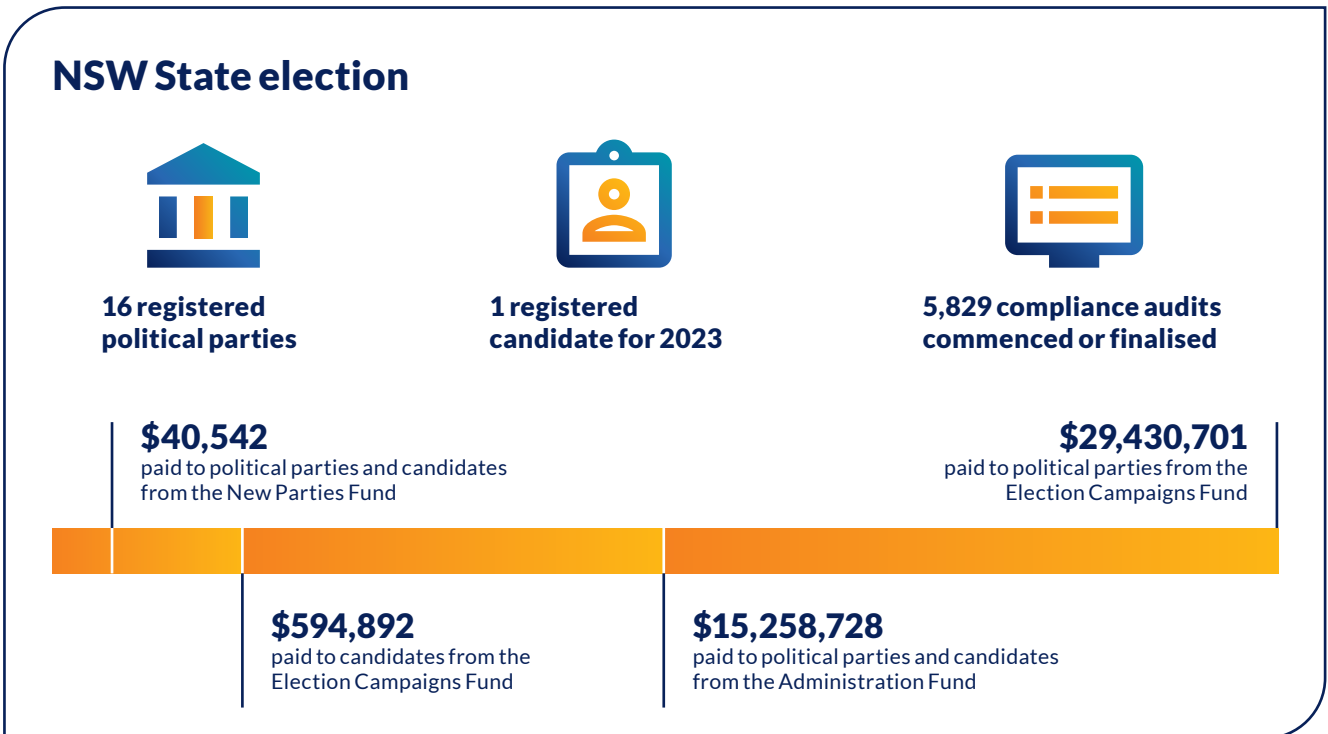
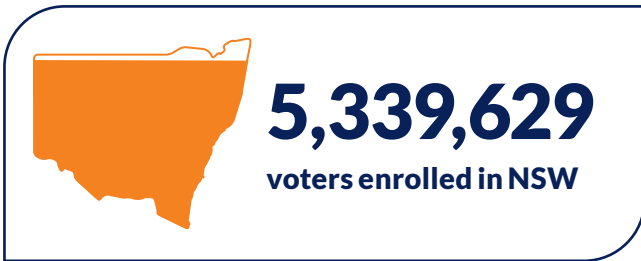
Management and structure

as at 30 June 2020



2019-20 at a glance

as at 30 June 2020



Our response to COVID-19

Staying safe, mitigating risks and maintaining service delivery

With the emergence of coronavirus during the second-half of 2019-20, we focused on identifying practical steps to keep our staff and the community safe while endeavouring to maintain our services to the people of New South Wales.

In March 2020 the Electoral Commissioner established a Coronavirus Reference Group, comprising the Electoral Commissioner and members of the senior management team. The group's mandate was to ensure timely and accurate communication and direction to staff in line with public health orders and safety advice from Commonwealth and NSW health agencies and the NSW Department of Premier and Cabinet about the COVID-19 pandemic. The group met weekly, with standing agenda items of service delivery, communication and staff wellbeing.

Following the Minister for Health's direction that people work from home where possible, we enacted business continuity processes to support a move to remote working. Our Information Services division ensured we had the technology required to facilitate the provision of services and to keep our staff connected. Health and safety representatives provided guidance and virtual assessments for safe home office environments, including workstation set-up and ergonomic practices and paper-based internal business processes were redesigned to support the maintenance of our business continuity.

Measuring and monitoring staff wellbeing

The Coronavirus Reference Group instituted a rolling, weekly "pulse" survey to help measure and monitor staff engagement and wellbeing while working remotely. A pulse survey is a recurrent survey that measures changing moods and attitude over a time period. More than 100 staff participated anonymously in the survey each week throughout the period 4 May to 12 June 2020, giving a response rate of more than 60 per cent. The responses helped us to support staff working from home, gauge their health and wellbeing over time, and develop COVID-safe protocols for staff still undertaking office-based work as well as planning for the future. Based on the responses, staff transitioned well to working from home.

Protocols to address staff concerns regarding health and safety in the office and commuting to and from work have been developed for staff to work more flexibly as circumstances change. These include revised seating plans to support social distancing, and hygiene and cleaning arrangements that are in accordance with SafeWork Australia guidelines.

Keeping safe at elections

In June 2020, the Minister for Local Government made an order that the Local Government ordinary elections scheduled for 12 September 2020 be postponed for 12 months in the interests of public health and safety during the COVID-19 pandemic. The elections will now be held on Saturday, 4 September 2021.

Emergency changes to legislation also enabled the postponement of statutory elections under the *Registered Clubs Act 1976* and the *Industrial Relations Act 1996*.

Our 2021-24 Strategic Plan

We developed our *2021-24 Strategic Plan* with the underlying ambition of improving our organisational and operational agility. Our ability to respond rapidly to changing circumstances, to design and implement new policy, solutions and services for emerging and rapidly changing circumstances was tested and proven during the COVID-19 pandemic.



Legislative change

Electoral Funding Act 2018

A number of amendments were made to the *Electoral Funding Act 2018* during the 2019-20 financial year in relation to local government election expenditure caps and restrictions on cash donations.

Local government election expenditure caps

In November 2019, the *Electoral Funding Amendment (Local Government Expenditure Caps) Act 2019* amended expenditure caps for participants in local government elections. These changes implemented reforms recommended by the NSW Parliament's Joint Standing Committee on Electoral Matters.

The caps are calculated with reference to the number of enrolled electors in the area or ward in which an election is being held. The amendments provide that the Electoral Commissioner is to determine the number of enrolled electors for a local government area or ward for an election for the purposes of calculating the applicable expenditure caps. The determination is to be made within a specified timeframe, depending on the type of election, for consistency across all areas and wards.

The amendments also aggregate certain election participants' expenditure for the purposes of expenditure caps.

Restrictions on cash donations

In January 2020, the *Electoral Funding Amendment (Cash Donations) Act 2019* amended the *Electoral Funding Act 2018*, making it unlawful for a person to make or accept a political donation in cash that exceeds \$100.

Local government elections: Local Government (General) Regulation 2005

After consultation with the Electoral Commission, in December 2019 the electoral provisions of the *Local Government (General) Regulation 2005* were amended by the NSW Government in the *Local Government (General) Amendment (Elections) Regulation 2019*.

The amendments were designed to make the conduct of local government elections more consistent with electoral practices for state elections conducted under the *Electoral Act 2017*, including:

- removing the requirement to publish notices and information about elections in newspapers, updating the requirements to include publication of the notices on the Electoral Commission's website and in any other manner considered necessary to bring the information to the attention of members of the public
- procedures for postal voting
- procedures for appointing scrutineers
- regulation of canvassing on pre-poll voting days and the display of posters on election days.

Legislative changes in response to the COVID-19 pandemic

Postponement of the 2020 NSW Local Government elections

In May 2020, the NSW Parliament passed the *COVID-19 Legislation Amendment (Emergency Measures) Act 2020*. This legislation amended the *Local Government Act 1993* to empower the Minister for Local Government to order the postponement of the election requirements of the *Local Government Act 1993* having regard to the COVID-19 pandemic.

On 11 June 2020, the Minister made an order that the ordinary elections scheduled for 12 September 2020 were postponed for 12 months. On 26 June 2020, the Minister made a further order setting the date for the postponed ordinary Local Government elections as Saturday, 4 September 2021.

Statutory elections under the Registered Clubs Act 1976 and the Industrial Relations Act 1996

In certain circumstances, the Electoral Commissioner conducts elections for office holders of registered clubs and State organisations under the *Registered Clubs Act 1976* and the *Industrial Relations Act 1996*.

The COVID-19 *Legislation Amendment (Emergency Measures – Miscellaneous) Act 2020* contained amendments to the *Registered Clubs Act 1976* and the *Industrial Relations Act 1996* that allow the responsible Minister to postpone relevant elections for up to 12 months if he or she considers it necessary to respond to the public health emergency caused by the COVID-19 pandemic. This legislation also amended the *Industrial Relations Act 1996* to allow the Industrial Registrar, on application by a State organisation, to defer an election for an office of the organisation for a period of up to 12 months if the Electoral Commission is unable to conduct the election because of the COVID-19 pandemic.

Aboriginal Land Council elections: *Aboriginal Land Rights Regulation 2014*

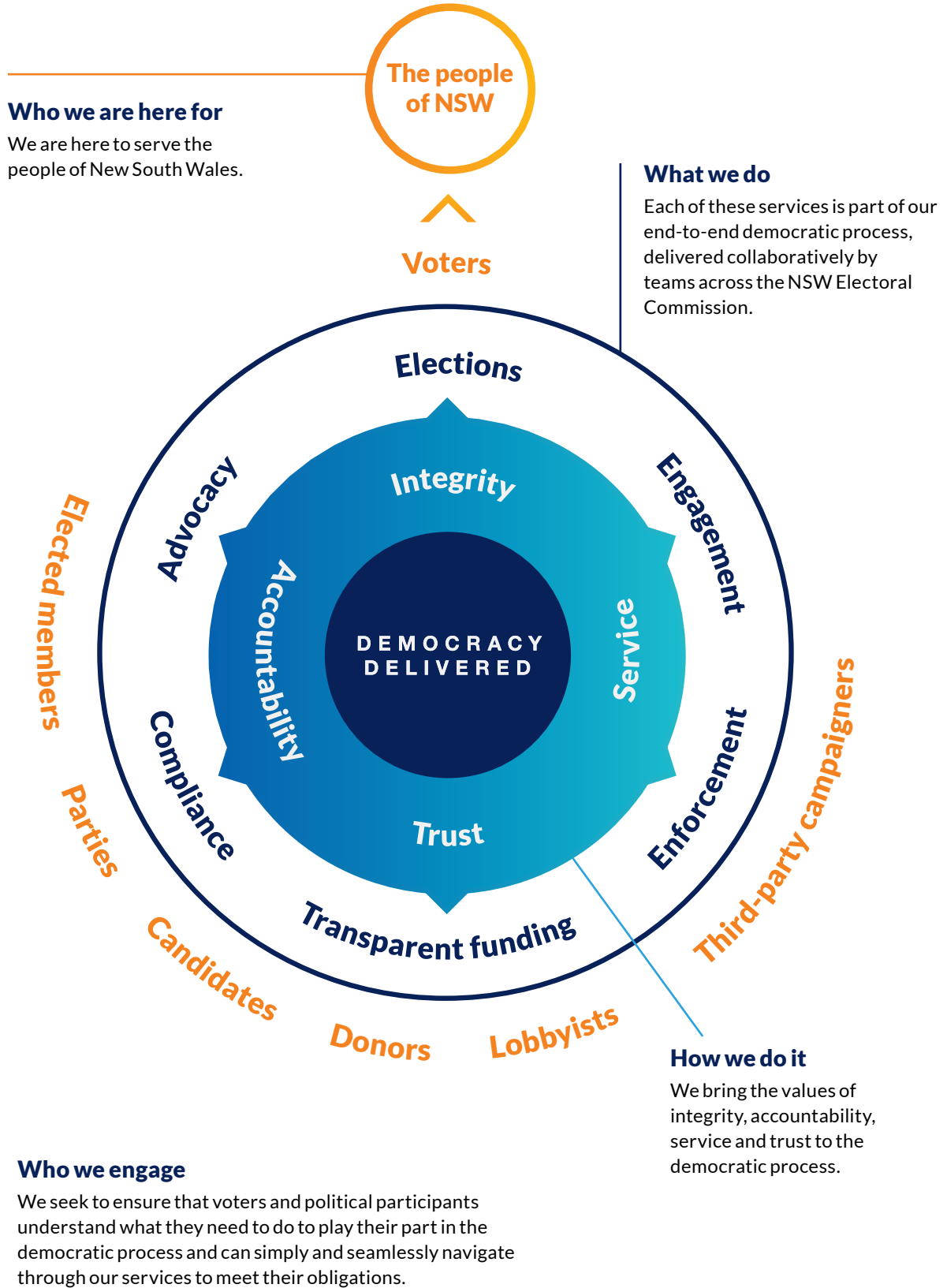
The *Aboriginal Land Rights Regulation 2014* was amended to widen voting options, improve the efficiency of election processes and bring provisions in the Regulation into line with state and local government election practices. These amendments were in place for the 2019 Aboriginal Land Council elections.

The amendments included:

- removal of requirements to publish election notices in newspapers, allowing notices of an election and invitations to nominate to be published in a manner appropriate to bring it to the attention of community members
- modernisation of payment methods for the nomination fee to allow for electronic payment methods to be used
- allowing any eligible voting member to use postal voting
- extending the period in which a voting member could return their postal vote
- providing for early voting at a polling place.



Our strategic themes



Our strategy: Democracy delivered

Purpose

Our purpose is to deliver trusted and independent systems, processes, oversight and engagement that support democracy in New South Wales.

Vision

Our vision is to maintain confidence in the integrity of the democratic process and make it easy for people to understand and participate.

Values

Our core values are the NSW Public Service values: integrity, accountability, service and trust. For details on what these values mean in practice, visit psc.nsw.gov.au

Behaviours

Our behaviours define what is distinctive about how we work and what we need to do to deliver on our shared goals. We are each accountable for bringing these behaviours to life in our work.

Responsive

We recognise the need to be flexible in dealing with our changing environment, while always meeting our obligations. We look for opportunities to build on ideas and adapt and innovate in how we work, to keep improving our services and enhance the experience people have when dealing with us.

Transparent

To demonstrate our integrity and build trust in our services, we are open with each other and our customers, clients, stakeholders and audiences. This keeps us accountable and creates opportunities for others to work more effectively with us.

Solution focused

We are focused on outcomes and delivering on our shared goals. We move quickly beyond identifying a problem to working out how best to solve it, while keeping our strategic goals top of mind.

Customer centred

We start by considering the needs of our customers, clients, stakeholders and audiences and find the best way to serve them, while meeting our legal and business requirements. We believe this is essential to make it easy for people to participate in democratic processes.

Collaborative

We look for opportunities to share ideas and knowledge and work as partners internally and externally because we know this is how we get the best results.

2017-20 Strategic Plan

Our 2017-20 *Strategic Plan* sets out what we wanted to achieve and how we planned to achieve it. The plan identified improvements under three themes:

- Goal 1 – Customer-focused products and services: Deliver seamless end-to-end electoral services
- Goal 2 – Engagement, influence and advocacy: Build reach, impact, influence and collaboration with our key stakeholders to improve our engagement and delivery
- Goal 3 – Effectiveness as an organisation: Create an efficient business with a strong and positive culture.

Developing our strategic plan for 2021-24

The Electoral Commission's 2017-20 *Strategic Plan* was effectively concluded with the writing of this year's annual report. Development of our new four-year strategic plan, covering 2021-24, began during the year, focusing on improving engagement with the community to maintain trust and confidence; using data more effectively to inform service delivery, policy and operational performance; and becoming a more mature, sustainable and scalable organisation.

The following information reports on our work during 2019-20 in our three priority areas. It also details our election operations and outlines our activity in regulating the electoral environment.



Legislative Assembly foyer - image supplied by Parliament of New South Wales.

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Strategic initiatives

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Goal 1: Customer-focused products and services

Deliver seamless end-to-end services for voters and political participants

Service improvement roadmap

We are committed to improving our election delivery and regulatory products and services, in particular our online capabilities, and have mapped improvement opportunities accordingly. We aim to offer products and services that meet our legislative requirements, are intuitive to use and satisfy our customers' needs and expectations. We also continue to identify opportunities for legislative and process changes to ensure we can provide electoral services that leverage new technology.

When implemented, our new funding and disclosure portal will enable political participants to comply with their regulatory obligations and conduct transactions electronically. Our online nominations management system allows registered political parties and candidates to complete and lodge forms and pay nomination deposits online.

Venue accessibility for electors with mobility restrictions

Our website is updated before an election with information to help electors with mobility restrictions to locate a suitable voting centre. During 2019-20 we mapped the location of voting centres to better understand the availability and distribution of accessible venues in each electoral district. This analysis will help us to provide appropriately sited accessible voting centres.

Review of ballot paper count process

We commissioned an analysis of our state general election count process, as conducted at voting centres on election night. A model was developed to simulate the initial counting of Legislative Council and Legislative Assembly ballot papers, and will be used to improve staff planning for voting centres at future State elections to help ensure election results are available as quickly as possible after the close of voting.

Election staff survey evidence base

We survey thousands of election staff after every major NSW state and local government election. The survey provides an important indication of whether election staff are satisfied with the conduct of the election, the recruitment process, effectiveness of our training and working conditions across election venues. The responses are used to improve our election delivery.

Electoral participant survey evidence base

In addition to surveying election staff, we survey electors and political participants. The survey responses provide a representative picture of stakeholder perceptions of, and satisfaction with, our conduct of each election and the services we offer. In conjunction with our own quantitative data, survey results form a valuable evidence base from which we draw insights to improve our services.

Online registration and disclosure capabilities

In 2019-20 we continued the development of online services for our registration, funding and disclosure functions. We consulted with electoral participants to understand their current experiences of meeting legislative obligations and our administration of these requirements, including what works well, challenges and opportunities.

Our consultation process found strong support for electronic and online alternatives to the current manual paper-based electoral processes.

Online nominations management

Following the success of our online nomination management system for the NSW State election in March 2019, the application was enhanced during 2019-20 to facilitate local government election nomination requirements. The system enables registered political parties (RPPs) and candidates to complete and lodge their nomination and/or grouping forms (as applicable) and pay nomination deposits online.

We engaged with representatives from political parties to inform the design of the system. The extension of the online nominations management system to local government elections will provide stakeholders with a consistent experience across state and local government elections, ease the administrative burden on electoral participants and reduce the level of complexity in complying with legislative requirements. New functionality will facilitate the publishing of candidate information on our website.



iVote voting system

iVote is the Electoral Commission's online and telephone voting platform. It has been used in the 2011, 2015 and 2019 NSW State general elections and a number of by-elections. iVote supports participation in the democratic process by people who:

- are blind or have low vision
- are unable to vote without assistance or have difficulty voting at a voting centre because of a disability, or reading disability
- are a silent elector
- live more than 20km from a voting centre
- will be interstate or overseas during voting hours on election day.

iVote functionality review

During the year we commissioned Vision Australia to conduct a functionality review of the iVote system. The results of this review will inform improvements for the voting platform, as part of our commitment to continually improve iVote usability.

Source code released for review

To support our commitment to improve the integrity, security and transparency of the platform and to help maintain public confidence in iVote, we released key components of the source code following the 2019 NSW State election. We invited independent experts to inspect the code and comment on any potential technical issues or vulnerabilities. Since it was made available on 31 July 2019, we have approved 73 downloads of the software source code. Two submissions from these reviewers had been received by 30 June 2020. More information about the iVote voting platform can be found on our website, at elections.nsw.gov.au/about-us/reports/ivote-reports

Goal 2: Engagement, influence and advocacy

Build reach, impact, influence and collaboration with our key stakeholders, to improve our engagement and delivery

User-centred digital presence

Our website is key to our customer-centred digital presence in helping voters, political participants and other stakeholders understand and participate in the democratic processes of New South Wales. Analytics from the 2019 NSW State election indicated that most visitors to our website wanted information about where to vote.

The coming Local Government elections pose a challenge in that there are 128 councils in New South Wales, some with multiple wards. A focus of work during 2019-20 has been the development of an address lookup function on our website so users can identify their local government area. This function is supported by council and ward information for every council in New South Wales, and includes voting locations for the councils that have engaged the NSW Electoral Commission to conduct their election.

Community engagement

The Electoral Commission recognises the diversity of voters in New South Wales. We have a responsibility to provide electoral services that are relevant, accessible and inclusive, and to identify and find solutions to barriers to participation in democracy.

Our community reference groups provide access to wider networks and distribution channels to help us engage with their communities. These reference groups provide valuable insights and feedback on our election products and services. We have continued our engagement with the Australian Electoral Commission's (AEC) Disability Advisory Committee to support and deepen our collaboration with the sector.

During 2019-20, we identified people experiencing homelessness as an emerging community issue and commenced consultation into how we can best support this group of electors.

Disability Inclusion Action Plan

We continued to implement our *Disability Inclusion Action Plan* and review our progress with our community reference groups. This Plan was developed according to the *NSW Disability Inclusion Plan* for all NSW Government agencies.

Between election cycles we continued to enhance iVote. iVote has improved the enfranchisement of electors who would otherwise not be able to vote independently or have difficulty voting in person at voting centres on election day. We are continuing to improve the platform's accessibility while maintaining its security.

The Electoral Commission has worked to ensure its digital presence and communication materials are accessible, clear and helpful. Our corporate website remains compliant with WGAC 2.0 and includes a built-in screen reader. Our website contains voter education resources including materials designed in collaboration with people with disability.

Multicultural Action Plan

We continued to implement our *Multicultural Action Plan* and review our progress with our community reference groups. The Plan was developed with reference to the Multicultural NSW Multicultural Policies and Services Program (MPSP). The MPSP is the mechanism for NSW Government agencies to show they are planning effectively for people of culturally and linguistically diverse backgrounds and supports the Multicultural NSW Act 2000. We embrace diversity and inclusion and are committed to creating a workplace that reflects the State's population by:

- increasing diversity in the pool of job applicants (multilingual speakers, Aboriginal people and people living with disability)
- being inclusive in our selection practices
- improving access to employment opportunities.

Language support provided through the Translating and Interpreting Service (TIS) helps people to participate in elections.

Supporting Aboriginal participation

We participated in the AEC's Indigenous Electoral Participation Working Group, which developed strategies on Aboriginal participation for consideration by the Electoral Council of Australia and New Zealand. Electoral Commission staff also presented to a targeted forum designed to increase understanding of becoming a political participant. We collaborated with the AEC to exhibit at the annual Yabun Festival, which provided an opportunity to increase enrolment and survey electors about barriers to participation. According to AEC estimates, enrolment of Aboriginal people in New South Wales has increased from 86.2 per cent to 86.5 per cent in the year to 30 June 2020, against a national average Indigenous enrolment rate of 78 per cent¹.

Electoral Council of Australia and New Zealand

The Electoral Council of Australia and New Zealand (ECANZ) is a forum comprising all electoral commissions from Australia and New Zealand. ECANZ meets to discuss all aspects of electoral administration, encourage mutual cooperation and consider contemporary electoral challenges aimed at improving access and equality for all eligible electors. The Electoral Commissioner is the current ECANZ Chair.

Under the auspices of ECANZ, focused officer-level networks are being established in the areas of compliance/enforcement and human resources. The Electoral Commission will continue to engage with these networks to share important knowledge about electoral administration with our ECANZ colleagues.

Electoral Regulation Research Network

The Electoral Regulation Research Network (ERRN) fosters exchange and discussion among academics, electoral commissions and other interested groups on research relating to electoral regulation. The ERRN is jointly funded by the NSW Electoral Commission, the Victorian Electoral Commission, and the University of Melbourne Law School.



¹ The estimated number of Indigenous electors on the roll compared to the total number of Indigenous Australians estimated to be eligible to enrol. Published 4 September 2020. https://www.aec.gov.au/Enrolling_to_vote/Enrolment_stats/performance/indigenous-enrolment-rate.htm

Goal 3: Effectiveness as an organisation

Create an efficient business with a strong and positive culture

People Matter Employee Survey

Each year our staff are given the opportunity through the People Matter Employee Survey to provide feedback about the Electoral Commission as a place to work. The survey is open to all employees across the NSW Government. Our response rate is consistently one of the highest in the NSW Government sector, with a response rate of 68 per cent and an engagement score of 73 per cent. Our engagement score from the 2019 survey was slightly higher (by 1 per cent) than in 2018 and 8 per cent higher than the overall public sector score.

The survey is an important indicator of staff satisfaction, and provides an opportunity to reflect on our strengths and identify areas where we can further develop and improve our performance based on actionable data. Our results reflect the strong team culture and employee engagement that exists across the organisation.

Similar to previous years, feedback from the 2019 survey revealed that our key strengths are in the areas of team culture, engagement with work, employee engagement, performance, pay, as well as workplace health and safety. Following the results of the survey each year, an action plan is developed and published to staff on areas identified for improvement.

Learning and development

Leadership development

Australian Graduate School of Management

'Delivering Business Results': Our leadership benchmark process provides a framework for the recruitment and development of our leaders and leadership pipeline. We ran a leadership program for senior executives and grade 11/12 managers that was developed in partnership with the University of NSW's Australian Graduate School of Management. The program focused on strategic capability in leadership, finance, innovation, communication, problem solving and achieving business outcomes.

DPC Leadership Program: During the reporting period, 13 members of staff were selected to participate in the Department of Premier and Cabinet (DPC) Leadership Program. The program comprises five one-day modules across five weeks and focuses on leading and managing people, diagnosing needs and taking sustainable action.

Learning management system

We implemented the Success Factors learning management system in September 2019. LinkedIn Learning was added, providing access to more than 9,500 online courses. The system enabled staff and contractors to complete modules online while facilitating independent learning via LinkedIn Learning. The platform captured training completion rates, with learning recorded in staff development plans and integrated with our performance management system.

Strategic workforce planning masterclass

During 2019-20, we were invited by the NSW Public Service Commission to participate in the design of the curriculum for a strategic workforce planning masterclass to be implemented across the NSW Government. The curriculum will be used to train Public Service staff on workforce planning, providing practical tools, frameworks and examples to support this work and embed the practice in organisations.

Continuous improvement

A Continuous Improvement Working Group was established to help encourage a culture of ongoing improvement. During the year, we focused on identifying opportunities to improve the delivery of our election services by:

- ensuring that we deliver election services more efficiently and effectively with available resources
- identifying opportunities to build our skill and capacity through ensuring best practice workflow management
- using data to better understand our outputs, resource constraints and deliverables to assist us in managing available workforce more effectively
- ensuring our processes are documented and repeatable to allow more opportunity for efficiency gains at each election event.

Enterprise portfolio management

Our Enterprise Portfolio Management Office was implemented in 2018 to progress the maturity of our portfolio and project management. Due to the focus at that time on delivering the 2019 NSW State election, work was deferred on this initiative until 2019-20. A key enabler of achieving our portfolio maturity targets was the implementation in March 2020 of an enterprise project management solution to centralise portfolio, programme and project-related information and to eliminate manual overhead. Significant efficiencies have been gained. Our portfolio assurance maturity has increased over the period, and has been instrumental in increasing the success of our projects.

Table 3. Enterprise portfolio projects during 2019-20

Project	Purpose
Local government regulation changes	System and process changes to support the local government regulation changes implemented as a result of JSCEM recommendations (required for the 2021 Local Government elections and beyond).
Online nominations management system	The nomination online management system was implemented for the 2019 NSW State election, enabling registered political parties and candidates to complete and lodge their nomination and/or grouping forms (where applicable) and nomination deposit online. System enhancements have further improved online services and payment processes and will facilitate nominations for local government elections.
Funding, disclosure and compliance online system	Development of a system to: <ul style="list-style-type: none"> • support pre-general election donations disclosure and publication obligations before the State general election 2019 and for future general elections; and • enable electoral participants to meet their ongoing legislative obligations around registration, disclosure of donations and expenditure and making public funding claims through an online portal. The portal will also support better regulation by the Electoral Commission and streamline its publication of disclosures and other regulatory information.
Redistribution	Preparation of information and mapping systems for the redistribution process. Conducting the redistribution according to legislation, with electoral districts ready for the 2023 NSW State general election.
Records management remediation	Upgrade of the records management system, including system and training.
Office accommodation relocation	Relocation to 231 Elizabeth Street, Sydney by February 2021 as part of the NSW Government agency move to the Southern CBD hub.
Non-voters system	To provide suitable financial reporting and recording, and the cancellation of non-voter penalty fines, and refund of payments for election events.
GovDC	Complying with NSW Government directive to relocate our core infrastructure to a secure, purpose-built NSW Government data centre. Enabling better support of election event requirements.
Project hub implementation	Implementation of a central enterprise tool where all portfolio, programme and project related information is managed and reported.
Resource time capture system	A vendor cloud-based solution to streamline monthly contractor expense management.

Goal 3: Effectiveness as an organisation

continued

Centralised records management

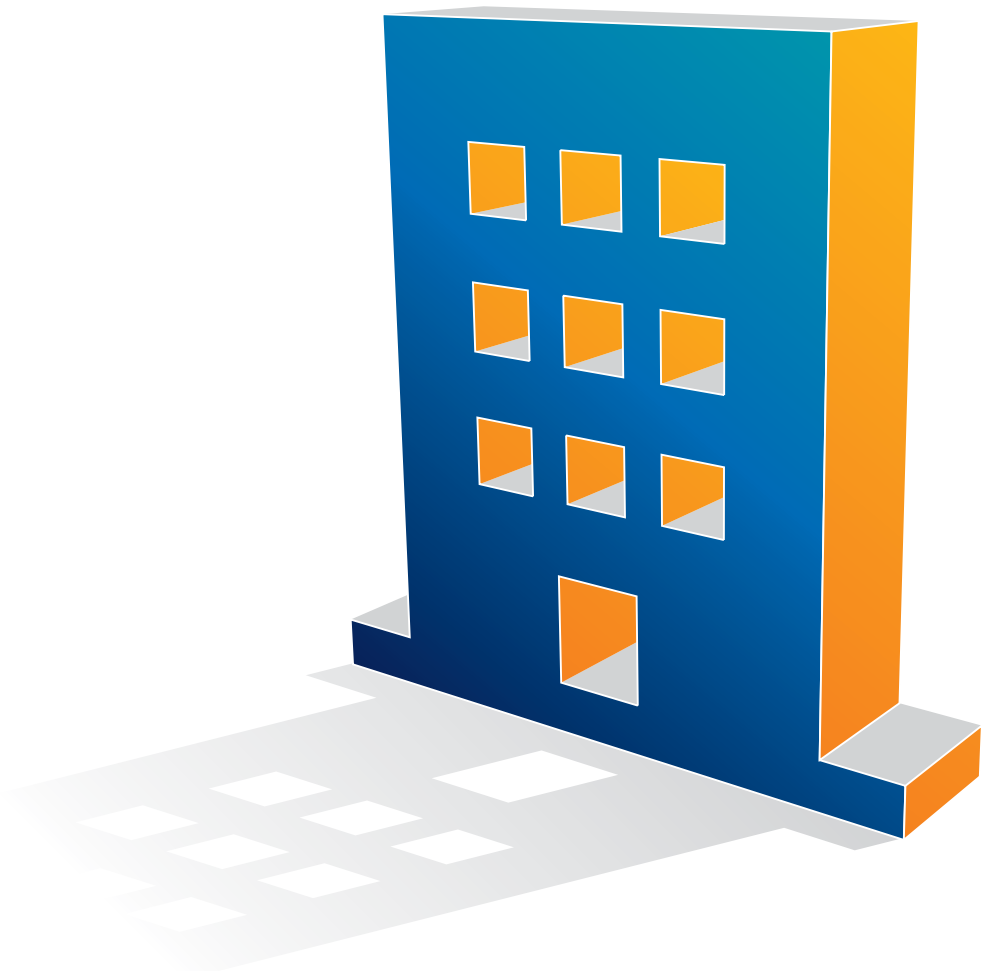
The Electoral Commission maintains a records management system, in accordance with the *State Records Act 1998*. We upgraded the system during the year, with a focus on reducing operational risk and improving system support. Items identified in a records audit conducted by an external audit have been addressed. Our central records management system is supported by project management technologies that will provide a more holistic records and information management approach going forward. Governance of records management has also been established under the Data Governance Committee, as part of the revised Senior Executive Corporate Governance Model.

Transition to GovDC

During 2019-20, we finalised our migration to the purpose-built NSW Government Data Centre (GovDC). GovDC has enabled us to move away from owning information and communications technology (ICT) hardware and managing the associated maintenance and support services required with ownership. It has provided greater flexibility to scale up or down our ICT requirements, enabling us to better support our election event requirements.

Information Systems

A focus for our Information Services division during 2019-20 was to support our staff working from home during the COVID-19 pandemic and plan for our transition to new office premises as part of the NSW Government agency move to the Southern CBD hub. Microsoft Teams was successfully piloted for deployment to the entire organisation to facilitate collaboration and engagement.



Inquiries, reports and reviews

During 2019-20, the Electoral Commission appeared before the NSW Parliament's Portfolio Committee No. 1 – Premier and Finance (Budget Estimates), Public Accountability Committee and Joint Standing Committee on Electoral Matters.

The Electoral Commission also actively participated via formal submissions to a number of external reviews: for example, the Independent Pricing and Regulatory Tribunal's review into the cost of local government elections (which was commissioned by the Minister for Local Government and published during the year), and the NSW Auditor-General's Performance Audit of the financial arrangements and management practices in the integrity agencies, undertaken at the request of the Special Minister of State.

In response to each of these reviews, including in its formal submissions, the Electoral Commission raised a number of key issues:

- The importance of the Electoral Commission being funded in a way that supports its independence from Executive Government.
- The unsustainable nature of our current funding model. The Electoral Commission is still largely funded as if we only deliver major election events, which does not reflect our extensive statutory responsibilities and operations, nor sound public sector governance practice.
- The inadequacy of the current annual State budget process for the Electoral Commission. We highlighted our limited capacity to have input into, and visibility of, funding decisions made by the Executive Government as part of the annual State budget process; and the impact of whole-of-government savings measures and efficiency dividends on small agencies.
- The fragility of our workforce. An externally commissioned review commented that this fragility "...drives inefficiencies: in salaries and wages spend, in work and initiative discontinuities, in hiring and engagement processes and in the lack of investment in training and upskilling. This fragility presents a risk management issue for the NSW Electoral Commission and calls into question the sustainability of the organisation over the longer term."

In our submissions and testimony before Parliament, we have advocated for a more sustainable funding model.

The Auditor-General's performance audit report ("*The effectiveness of the financial arrangements and management practices in four integrity agencies*") was tabled in Parliament on 20 October 2020. The NSW Electoral Commission welcomes this report and believes it will provide a strong basis for developing positive reforms to the annual budget process for all NSW integrity agencies.

We look forward to working with the NSW Parliament and Government to develop new budget processes that are designed to strengthen the integrity of the public administration undertaken by NSW integrity agencies.

Our people, culture and work environment

We aim to create an organisation that supports collaboration and continuous improvement, and builds skills and capacity within a learning environment. Improved internal communications supported a more engaged workforce with an understanding of the organisation's goals and vision.

Staff profile

The Electoral Commission's staff profile is shown in Table 4:

Table 4. Staff numbers as at 30 June 2020

	Female	Male	Total
Senior executives (equivalent)*	6	12	18
Ongoing officers	33	26	59
Temporary officers	36	31	67
Total	75	69	144

*Excludes the Public Office Holder.

The Electoral Commission is actively working towards increasing the proportion of women in leadership positions. Our target is for 50 per cent of all shortlists for executive positions to be women.

Table 5. Women in leadership pipeline positions at the NSW Electoral Commission

Grade	Proportion of women at grade
Grade 11/12	47%
Grade 9/10	53%

As at 30 June 2020. Does not include contractors or consultants.

Numbers and remuneration of senior executives

Table 6. Senior executive staffing profile as at 30 June 2020 (versus 30 June 2019*)

	Female	Male	Total
Public Office Holder	0 (0)	1 (1)	1 (1)
Band 3 (equivalent)**	0 (0)	0 (0)	0 (0)
Band 2 (equivalent)	1 (0)	3 (4)	4 (4)
Band 1 (equivalent)	5 (4)	9 (7)	14 (11)
Total	6 (4)	13 (13)	19 (17)

*The numbers in brackets are as at 30 June 2019 for comparison.

**The NSW Electoral Commission does not have Band 3 employees.

Table 7. Remuneration profile of executive officers

Band	Range (\$)	Average remuneration 2019 (\$)
Band 2 (equivalent)	274,701 – 345,550	303,805
Band 1 (equivalent)	192,600 – 274,700	213,145

No band 3 (equivalent) employees as at 30 June 2020.

In 2019-20, 21.77 per cent of the Electoral Commission's employee-related expenditure was for senior executives, compared to 9.27 per cent the previous year. The increase is due to a smaller workforce in 2019-20 as opposed to 2018-19 where we employed an additional 20,000 (approximate) casual staff to work on the 2019 NSW State general election.

Staffing changes

As per Table 8, separations decreased in 2019-20 compared with the previous year. Turnover in 2019-20 was predominately due to mobility, career development, opportunities external to the Electoral Commission and funding constraints.

Table 8. Staff separations and movements

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Total commencements	14	14	26	70	23	36
Total continuing	54	57	69	67	122	109
Total separated	10	11	17	21	47	38
Separation rate	12.8%	12.0%	15.6%	14.5%	24.5%	20.8%

Does not include contractors.

Workplace diversity

Table 9. Trends in the representation of equal employment opportunity (EEO) groups

EEO target group	Target	2016	2017	2018	2019	2020 ²
Women ¹	50%	55.55%	52.63%	54.48%	56.55%	51.72%
People who identified themselves as Aboriginal and Torres Strait Islander	2%	-	-	2.50%	0.69%	0.69%
People whose first language is not English (self-identified)	20%	17.86%	14.81%	27.50%	11.03%	8.97%
People who identified themselves as having a disability	12%	7.14%	-	2.06%	1.38%	1.38%
People who identified themselves as having a disability requiring work-related adjustment	7%	-	-	1.25%	0.69%	0.69%
People who identified themselves as coming from a racial, ethnic or ethno-religious group ³	-	21.43%	16.67%	16.3%	11.72%	9.66%

Temporary election staff not included in the above table.

Notes: ¹ Annual Workforce Profile report. ² Staff profile changed as at 30 June 2020 with the expiry of many election-related roles.

³ While not an EEO target group, the Electoral Commission elects to report this figure.

Our people, culture and work environment

continued

Staff training

During 2019-20, 256 staff undertook 4,630 hours of training, an average of 2.6 training days per employee. In addition, four staff members were supported in conducting their tertiary studies through our study assistance program.

Table 10. Staff training during 2019-20

Training type	Number of staff	Number of training days
Internal courses	1,561	267
External courses	501	394

Table 11. Staff development attendance during 2019-20 (face-to-face and online)

Development program	Number of staff	Number of training days or equivalent
AGSM Delivering Business Results	45	90
DPC Leadership Program	13	65
Leading and Supporting remote teams	42	9
Converge webinar series	168	24
Microsoft Office (Excel and Word)	32	32
Content Manager	53	18
Compliance Training (6 online modules)	1,358*	679
Aboriginal Cultural Appreciation	39	19.5
Plain English Essentials	20	20
LinkedIn Learning	85	42

Does not include individual staff development.

*1,358 completions of the six modules across the organisation.

Workplace health and wellbeing

The Electoral Commission transitioned all staff to remote working in March 2020. Prior to commencing working from home, all staff were required to complete a working from home checklist about their working environment. Staff were provided with equipment to work effectively from home. Virtual and ergonomic workstation assessments were offered and a number of staff took the opportunity to assess their remote work set up. Positive feedback has been received from staff about the support received and ongoing communication.

In response to COVID-19 and the need for our workforce to move to remote working, we launched a number of health and wellbeing learning initiatives to support our staff and leaders:

- COVID-19 webinar series: an eight-week program covering wellbeing topics.
- Leading and supporting remote teams: a 1.5 hour interactive online session designed to help leaders be better equipped to support their teams in remote working arrangements and new ways of working.
- A number of courses were featured via our learning management system. Topics included resilience, managing stress, working remotely and leading at a distance.

In addition, a set of COVID-19 related return-to-office protocols were developed so that any staff members who needed to work in the office were informed of the safety protocols in place. This entailed the delivery of a mandatory 30-minute safety induction prior to staff returning to the office environment.

Communication and consultation on matters relating to health and safety is now facilitated through the Work Health and Safety (WHS) Committee, and the Elections WHS Working Group which focuses on election events. Both bodies offer a forum for discussion and consultation, and provide a mechanism to assist in mitigating identified hazards and risks for business-as-usual and election event operations.



Our people, culture and work environment continued

A platform for reporting incidents, injuries or concerns has been developed via the internal helpdesk function and can be accessed by all staff and contractors. An online system for the real-time reporting of incidents is being scoped.

Revised and new policies were developed on grievance management, bullying and harassment, and performance management to support the management of conduct, performance and behaviour at work.

Secondments

The Government Sector Employment Act 2013 and the Government Sector Employment Rules 2014 provide mobility provisions to support employees and employers as they respond to workforce needs and develop employee capabilities.

Mobility provides a way for employees to experience new areas of work, increase their knowledge and capabilities, and bring new ideas into a workplace.

The Electoral Commission supports staff mobility and opportunities for secondment. During 2019-20, there were three secondments from other agencies to the Electoral Commission, and two secondments of staff to other agencies. We also participate in the Public Service Commission's NSW Government Graduate Program.



Redistribution of electoral districts

New South Wales is divided into electoral districts for the purpose of electing members to Parliament. At a state election, voters in each electoral district elect one candidate to represent them in the Legislative Assembly (the Lower House of the NSW Parliament). Under the *Constitution Act 1902*, there are 93 electoral districts in New South Wales.

The Constitution Act requires that each electorate has an approximately equal number of eligible voters. To ensure the number of electors within each district remains approximately the same over time, the Constitution Act requires that electoral district boundaries are reviewed and adjusted if necessary. This formal process is called a redistribution, and must take place after every second state general election in New South Wales.

A redistribution is a statutory process conducted by an independent panel, the Electoral Districts Redistribution Panel, which is established under the *Electoral Act 2017*.

The Constitution Act (Part 3 Division 3 Sections 25–28A) sets out the conditions under which a redistribution takes place. The *Electoral Act 2017* (Part 3 Division 1 Sections 17–29) provides the framework, process and timetable for the redistribution. Under the Constitution Act, a redistribution must take place:

- when legislation changes the number of seats in the Legislative Assembly – section 27(1)(b) of the Act
- after every two state general elections – section 27(1)(c) of the Act, or
- if voter enrolment in more than one-quarter of electoral districts differs from the average voter number by more or less than five per cent for more than two months – section 28A of the Act.

The last redistribution was conducted in 2013, with the resultant electoral district boundaries being in place for the 2015 and 2019 State elections. Under section 27(1)(c) of the *Constitution Act 1902* a redistribution was required following the 2019 NSW State general election.

The current Electoral Districts Redistribution Panel is chaired by the Hon. Justice Arthur Emmett AO QC. The other members of the Redistribution Panel, as required by section 17(1) of the Electoral Act are the Electoral Commissioner for NSW, Mr John Schmidt; and the Surveyor-General of NSW, Mrs Narelle Underwood.

To assist it in carrying out its functions, legislation enables the Redistribution Panel to use the staff of the Electoral Commission. During 2019–20, Electoral Commission staff developed and published the redistribution website content including electoral boundary maps and population statistics. Other support activities conducted included the implementation of statutory advertising as required by legislation and a public campaign including newspaper advertisements, press releases and social media posts. Registers of suggestions and comments received were also published on our website.

Feedback from the public and political stakeholders is invited and considered during the redistribution process. The period for initial suggestions relating to the distribution of New South Wales into electoral districts to be made to the Redistribution Panel ran from 1 June 2020 to 1 July 2020. This was followed by a 14-day period in which comments could be made on any suggestions received by the Redistribution Panel.

The Redistribution Panel will consider these suggestions and comments in preparing a draft determination of electoral district boundaries. Members of the public will then have a further opportunity to make submissions on the draft determination.

In 2021 the Redistribution Panel will produce a final determination which, when proclaimed, will establish the new electoral district boundaries for state elections. Those boundaries will be in place for the 2023 NSW State general election.



Jubilee Room – image supplied by Parliament of New South Wales.

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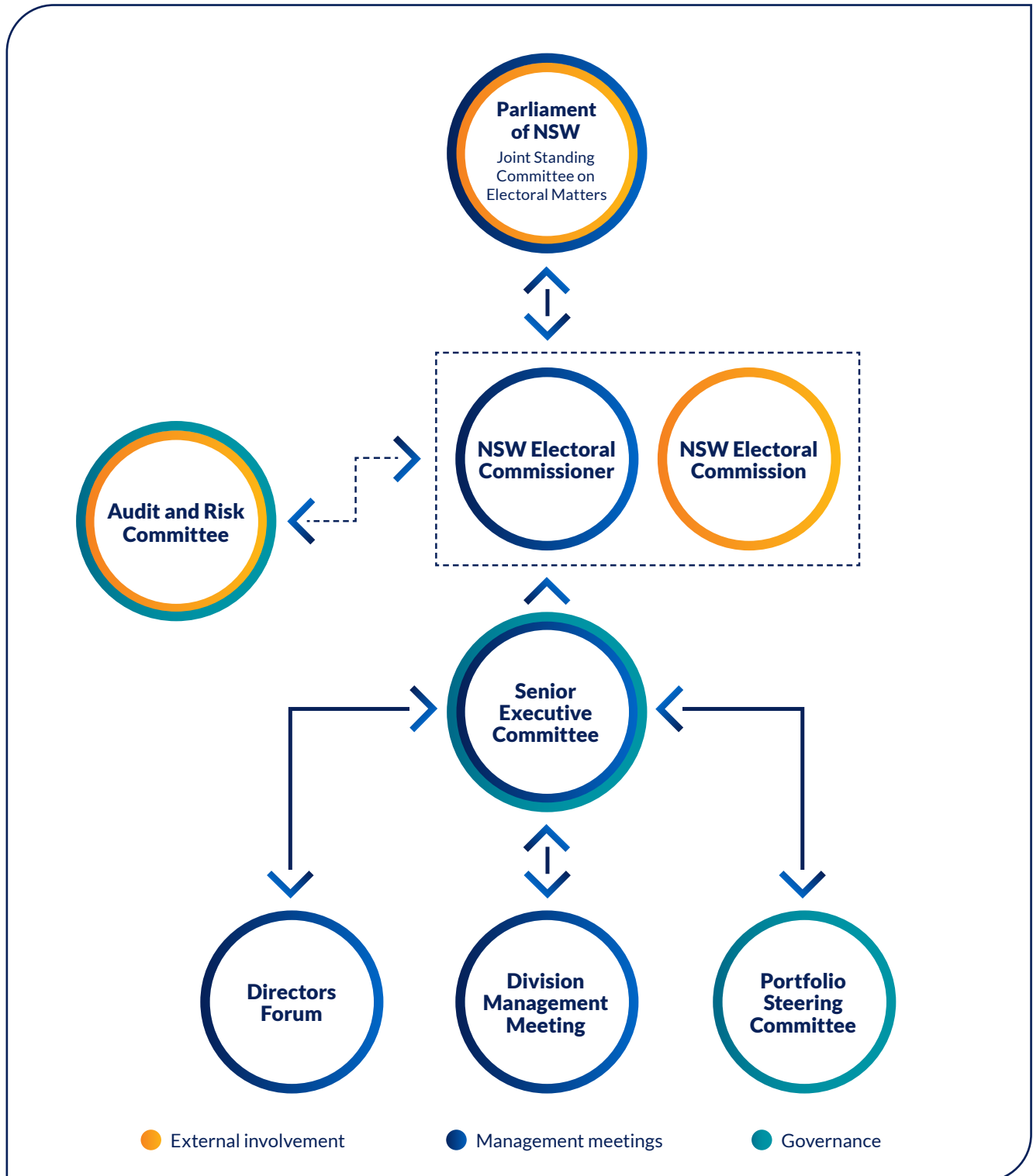
Governance, conducting and regulating elections

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Governance, risk management and audit

Governance within the NSW Electoral Commission

The Electoral Commissioner is assisted in the management of the NSW Electoral Commission by a range of internal and independent bodies.



Our governance framework

New governance arrangements were implemented in 2019-20. These include Senior Executive Committee meetings specifically focused on:

- Strategy, Performance and Budget
- Cyber Security and Data Governance
- Digital Strategy.

These committees are supported by corresponding working groups. Other elements of the governance arrangements include:

- strategic and business planning
- leadership training for senior staff
- financial and administrative delegations
- project, programme and portfolio management
- portfolio governance and assurance framework
- a Code of Ethics and Conduct with clearly defined organisational values and behaviours
- Political Neutrality Policy
- Fraud and Corruption Control Framework
- processes to manage gifts and benefits
- procurement framework
- a legislative and regulatory compliance program
- policy framework and policy library
- audit and risk committee and internal audit program
- information access arrangements
- privacy management procedures
- risk management framework
- organisational resilience framework, including business continuity and crisis management plans
- workforce planning processes
- records management processes and supporting systems
- work health and safety system
- stakeholder engagement and complaints management processes.

Risk management

Risk management aims to create and protect value by decreasing the likelihood and impact of negative events, and increasing the likelihood and impact of positive events. We are committed to the proactive management of risk, recognising that risk management is an integral part of sound management practice and an essential element of good corporate governance.

Risk is managed at all levels of the organisation. The Senior Executive Committee regularly reviews corporate level risks and their controls. The corporate risks are also monitored by the Audit and Risk Committee. Risks are identified and actively managed in all projects and programs, as a standard practice in our project management methodology.

During the year risk registers were also developed by the Cyber and Information Security Work Group and the Data Governance Work Group. A risk management approach is adopted for both fraud and corruption control, and work health and safety.

A risk management online training module is now part of the suite of mandatory training for all staff members, along with modules on the Code of Ethics and Conduct, Work Health and Safety, Privacy and GIPA, Fraud and Corruption Control, and Cyber Security Awareness.

We refined our business continuity arrangements in late 2019, and these were subsequently activated in March 2020 in response to the COVID-19 pandemic. The *Business Continuity Plan* and *Crisis Management Plan* were reviewed in collaboration with an external consultant after the first two months of the COVID-19 response to ensure they reflected lessons learnt and remained fit for purpose.

Audit and Risk Committee

The Audit and Risk Committee continued to provide independent assistance to the Electoral Commissioner and the Electoral Commission during 2019-20, by monitoring, reviewing and advising on governance processes, risk management and control frameworks, management of audit actions and external accountability obligations.

Audit and Risk Committee meetings were held on the following dates:

- 5 September 2019
- 26 September 2019
- 5 December 2019
- 12 February 2020
- 27 May 2020.

Governance, risk management and audit

continued

All Audit and Risk Committee members attended all of the meetings.

Members

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

- Independent Chair, Greg Fletcher
- Independent Member, Mark Sercombe
- Independent Member, Elizabeth Gavey

The terms of the members are shown in this report's Internal Audit and Risk Management Attestation.

Regular attendees

Other regular attendees at Audit and Risk Committee meetings include:

- John Schmidt, Electoral Commissioner
- Matt Phillips, Executive Director Corporate, and Chief Audit Executive
- Trevor Follett, Director Finance, and Chief Financial Officer
- Riaan Husselmann, Director EPMO and Corporate Governance
- Neil Pfister, Manager Governance, and Chief Risk Officer
- Dominika Ryan, Director Financial Audit Services, Audit Office of NSW
- Aubrey Perez, Audit Manager, Audit Office of NSW
- Marissa Lowe, Partner, PwC Australia
- Alan Murray, Senior Manager, PwC Australia

The Audit and Risk Committee Charter was reviewed during 2019-20.

Internal audit

In accordance with NSW Government policy, we have a risk-based internal audit program. The Internal Audit Charter and Internal Audit Manual were both reviewed in 2019-20.

Internal audits undertaken in 2019-20

- IT Strategy Implementation (final report issued)
- Cybersecurity Policy Alignment (final report issued)
- Risk Culture Review (pre-final report issued)
- Local Government Workforce Management (scoping completed, fieldwork in progress)

We are working through actions to address the recommendations from all internal audits and other reviews. This work is monitored by the senior executive and the Audit and Risk Committee.

Internal audit work plan for 2020-21

- Employee Lifecycle and Payroll
- Fraud Risk Management

Complaints/consumer response

The Electoral Commission manages complaints in accordance with our Complaints Management Policy, which is available on our website. For the purposes of this process, complaints are an expression of dissatisfaction about our service delivery (other associated issues, such as allegations that people are not complying with electoral laws, or disagreements about failure to vote penalties, are dealt with through separate processes).

The Electoral Commission's complaints management processes:

- enables us to respond in a timely and cost-effective way to issues raised by people making complaints
- increases public confidence in our administrative and regulatory processes
- provides information that can be used by us to deliver quality improvements in our services and in the exercise of our functions.

Fraud and corruption control

The Electoral Commission did not refer any matters relating to corporate fraud and corruption to the Independent Commission Against Corruption (ICAC) in 2019-20.

While online fraud and corruption control training is mandatory for all staff, some key staff members participated in further professional development in fraud and corruption prevention, and guidance on fraud control was circulated to all senior staff members.

A fraud and corruption risk assessment was undertaken in 2019-20 and the results will inform further work to enhance controls in 2020-21.

Government Information (Public Access) Act 2009

Section 125 of the Government Information (Public Access) Act 2019 (GIPA Act) requires an agency to prepare an annual report on the agency's obligations under the GIPA Act. The Government Information (Public Access) Regulation 2019 (GIPA Regulation) sets out the information to be included in the annual report.

The following section 125 report details access to government information pertaining to the NSW Electoral Commission.

Obligations under the Government Information (Public Access) Act 2009

Clause 8(a): Review of proactive release program

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

Our program for proactive release of information is detailed in our [Government Information \(Public Access\) Act 2009 Policy and Procedures](#), and is available on our website. Directors are periodically invited to identify any additional information in the public interest that could be released proactively.

Clause 8(b): Number of access applications received

During the reporting period we received five formal applications for access to information. This figure includes withdrawn applications but not invalid applications.

Clause 8(c): Number of refused applications for Schedule 1 information

No applications were refused during the reporting period.

Clause 8(d) and Schedule 2: Statistical information about access applications

Table 12. Number of applications by type of applicant and outcome*

Applicant type	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media								
Members of Parliament	1							
Private sector business								
Not for profit organisations or community groups								
Members of the public (application by legal representative)								
Members of the public (other)	1			2				3

* More than one decision can be made in respect of a particular access application. If so, a record must be made in relation to each decision.

Governance, risk management and audit

continued

Table 13. Number of applications by type of application and outcome**

Application type	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*								
Access applications (other than personal information applications)	2							1
Access applications that are partly personal information applications and partly other				2				2

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). ** More than one decision can be made in respect of a particular access application. If so, a record must be made in relation to each decision.

Table 14. Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	-
Application is for excluded information of the agency (section 43 of the Act)	-
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	-
Invalid applications that subsequently became valid applications	-

Table 15. Conclusive presumption of overriding public interest against disclosure (matters listed in Schedule 1 of Act)

	Number of times consideration used*
Overriding secrecy laws	-
Cabinet information	-
Executive Council information	-
Contempt	-
Legal professional privilege	-
Excluded information	-
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environmental heritage	-
Information about complaints to Judicial Commission	-
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	-
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	-

*More than one public interest consideration may apply in relation to a particular access application and each such consideration is recorded (but only once per application).

Table 16. Other public interest considerations against disclosure (matters listed in table to section 14 of Act)

	Number of occasions when application not successful*
Responsible and effective government	-
Law enforcement and security	-
Individual rights, judicial processes and natural justice	-
Business interests of agencies and other persons	-
Environment, culture, economy and general matters	-
Secrecy provisions	-
Exempt documents under interstate Freedom of Information legislation	-

*More than one public interest consideration may apply in relation to a particular access application and each such consideration is recorded (but only once per application).

Governance, risk management and audit

continued

Table 17. Decisions made within statutory timeframe

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	-
Not decided within time (deemed refusal)	-
Total	2

Table 18. Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review			-
Review by Information Commissioner*			-
Internal review following recommendation under section 93 of Act			-
Review by NCAT			-
Total			-

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker.

Table 19. Applications for review under Part 5 of the Act (by type of applicant)

Applicant type	Number of applications for review
Applications by access applicants	-
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	-

Table 20. Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

Transfer type	Number of applications transferred
Agency-initiated transfers	-
Applicant-initiated transfers	-

Public Interest Disclosures

No disclosures under the Public Interest Disclosures Act 1994 (PID Act) were made or received by the Electoral Commission during 2019-20. Our Public Interest Disclosures reports were submitted to the NSW Ombudsman for the financial year 2019-20 as follows:

- Public Interest Disclosures report for July to December 2019 submitted on 30 January 2020.
- Public Interest Disclosures report for January to June 2020 submitted on 3 August 2020.

To ensure our staff are aware of their responsibilities under section 6E(1)(b) of the PID Act, we:

- Publish our [Public Interest Disclosures Policy](#) on the intranet and corporate website so that staff understand our internal process for handling reports of wrongdoing, and the Electoral Commission's commitment to the protection of public officials from reprisal in relation to any disclosure matters.
- Include internal reporting in our mandatory Code of Ethics and Conduct training.
- Provide further training, such as participation in PID Practitioners Forum to key staff members.

Privacy and Personal Information Protection Act 1998

We hold a large amount of data, including personal information. Staff have privacy protection responsibilities in relation to our agency functions, such as maintaining the New South Wales electoral register, conducting New South Wales state and local government elections, enforcing failure to vote offences and regulating election campaign finance and third-party lobbying. We take these responsibilities seriously, and inform staff of their obligations under the Privacy and Personal Information Protection Act 1998 (PPIP Act).

Privacy management plan

Clause 6 of the *Annual Reports (Departments) Regulation 2010* requires a statement of the action taken by the Electoral Commission in complying with the requirements of the PPIP Act, and statistical details of any review conducted by us, or on our behalf under Part 5 of that Act.

The Electoral Commission did not receive any requests for internal review under Part 5 of the PPIP Act in 2019-20.

Action taken by the Electoral Commission in complying with the requirements of the PPIP Act include a privacy management plan (which is reviewed on an ongoing basis) and a designated privacy contact officer. In the last reporting year, we continued compulsory online privacy training for staff. Data custodians and project officers continue to consult with the privacy contact officer or the legal business unit to ensure forms, policies and procedures are compliant with the PPIP Act. The Data Governance Working Group and the Records Management Working Group continue to identify and implement action items on a regular basis that amongst other things, address compliance with the PPIP Act.

Queries regarding privacy should be addressed as follows:
The Privacy Officer, NSW Electoral Commission
GPO Box 832 Sydney NSW 2001

People can also contact us by phone on (02) 9290 5999, or by email at enquiries@elections.nsw.gov.au

Internal audit and risk management policy attestation



Internal Audit and Risk Management Attestation Statement for the 2019 – 2020 Financial Year for New South Wales Electoral Commission Staff Agency

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

Core Requirements

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

Risk Management Framework	
1.1	The Electoral Commissioner is ultimately responsible and accountable for risk management in the NSWEC. Compliant
1.2	A risk management framework that is appropriate to the NSWEC has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 Compliant
Internal Audit Function	
2.1	An internal audit function has been established and maintained Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing Compliant
2.3	The NSWEC has an Internal Audit Charter that is consistent with the content of the 'model charter' Compliant
Audit and Risk Committee	
3.1	An independent Audit and Risk Committee with appropriate expertise has been established Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the Electoral Commissioner on the NSWEC's governance processes, risk management and control frameworks, and its external accountability obligations Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter' Compliant

Membership

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

- Independent Chair, Greg Fletcher, appointed on 22 February 2018 for four years with the term ending 22 February 2022.
- Independent Member, Mark Sercombe, appointed on 1 June 2018 for four years with the term ending 1 June 2022.
- Independent Member, Elizabeth Gavey, appointed on 14 October 2018 for four years with the term ending 14 October 2022.



John Schmidt
Electoral Commissioner
New South Wales Electoral Commission
10 August 2020

Agency Contact Officer
Matt Phillips
Chief Audit Executive
Ph: 02 9290 5453

Cyber security policy attestation



2019 – 20 Financial Year Cyber Security Annual Attestation Statement for the NSW Electoral Commission

I, John Schmidt, am of the opinion that the NSW Electoral Commission has identified cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy. Considering the NSW Electoral Commission's current level of maturity, we are not compliant with the Policy's requirements and cannot fully mitigate the risks which have been identified. The identified risks have been assessed and are currently being managed within the NSW Electoral Commission's existing resources and capabilities.


Governance is in place to manage cyber security activities within the NSW Electoral Commission. These governance processes are consistent with the NSW Government Cyber Security Policy.

The NSW Electoral Commission's current cyber incident response plan was developed as part of the 2019 State General Election and was tested in preparation for that event.

The NSW Electoral Commission has documented an Information Security Management System (ISMS) and implementation of this ISMS is in progress.

In 2019 an independent agency conducted review of the NSW Electoral Commission's alignment of its cybersecurity policy with the NSW Government Cyber Security Policy and undertook a high level assessment of the current state of its implementation. This review identified multiple areas for improvement and made recommendations to achieve compliance with the Policy.

The NSW Electoral Commission has prepared a programme of work to achieve compliance with the NSW Government Cyber Security Policy and ACSC Essential 8 to assure the cyber security of the 2023 State Government Election. In order to deliver this programme of work significant additional investment is required and a business case has been submitted to the NSW Government seeking additional funding. Without additional funding there will be significant delays in achieving compliance and that compliance is unlikely to be in place prior to the 2023 State General Election.



John Schmidt
Electoral Commissioner
New South Wales Electoral Commission

18 August 2020



Conducting elections

The NSW Electoral Commissioner is responsible for conducting:

- State elections and by-elections
- NSW Aboriginal Land Council elections
- Local government general elections and by-elections (if engaged to do so)
- elections for office holders in statutory bodies and industrial and service organisations (if engaged to do so).

Elections conducted during 2019-20

During 2019-20, we conducted 19 elections for statutory bodies, service clubs and industrial organisations (see Table 21) and the 2019 NSW Aboriginal Land Council elections. No State or local government general elections or by-elections were conducted during the year.

2019 NSW State election

Following the 2019 NSW State election in March 2019, the NSW Electoral Commission undertook post-implementation reviews to determine planning priorities and areas for improvement for future elections.

Read the Electoral Commissioner's *Report on the Conduct of the 2019 NSW State election* available on our website, at elections.nsw.gov.au/about-us/reports

NSW Aboriginal Land Council election: 30 November 2019

The NSW Aboriginal Land Council election is held every four years to elect nine councillors – one for each of the nine Aboriginal Land Council regions across New South Wales. Councillors are elected to serve a four-year term.

Nominations opened for the 2019 Aboriginal Land Council election on Tuesday, 8 October 2019 and closed at 12noon on Tuesday, 5 November 2019. Fifty-one candidates nominated across the nine NSW Aboriginal Land Council regions. Following the close of nominations, only one nomination was received for the position of councillor for Northern Region. In accordance with clause 46 of the Aboriginal Land Rights Regulation 2014, the nominated candidate was declared elected for Northern Region on 5 November 2019 and no election was conducted in that region.

For the 2019 Aboriginal Land Council election, early voting was introduced for the first time with in-person voting available prior to election day in all contested regions.

The Sydney/Newcastle Regional Electoral Office was set up in the offices of the NSW Electoral Commission, in Kent Street, Sydney. Pre-poll (early) voting was available for the Sydney/Newcastle Region from 9am to 5pm on the following days:

- Thursday, 21 November 2019
- Friday, 22 November 2019
- Friday, 29 November 2019.

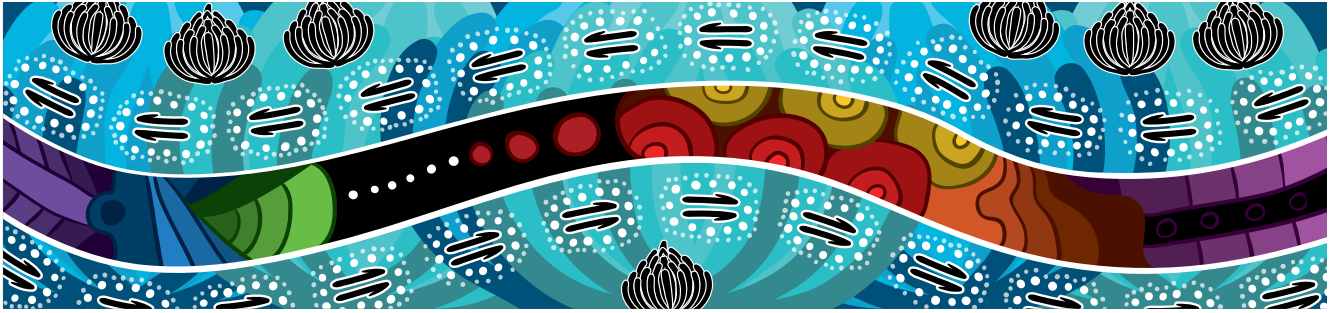
A number of changes were made to the Aboriginal Land Rights Regulation 2014 in advance of the 2019 election, see section on "Legislative change" in this report for details of these amendments.

The NSW Electoral Commission provided election and communications support for the election. In addition to conducting the election under our statutory requirements, we designed, produced and printed brochures, leaflets, forms, ballot papers and signage. Key activities included:

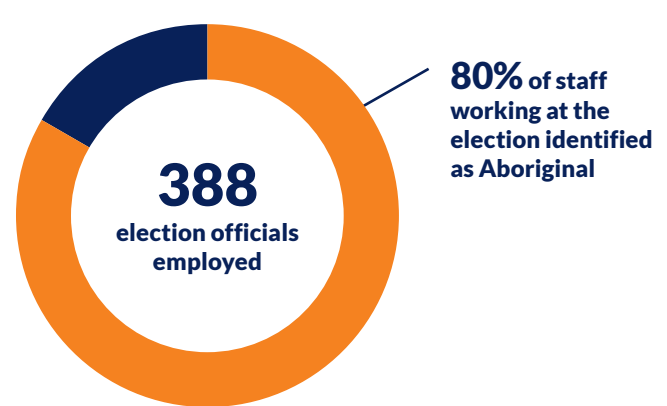
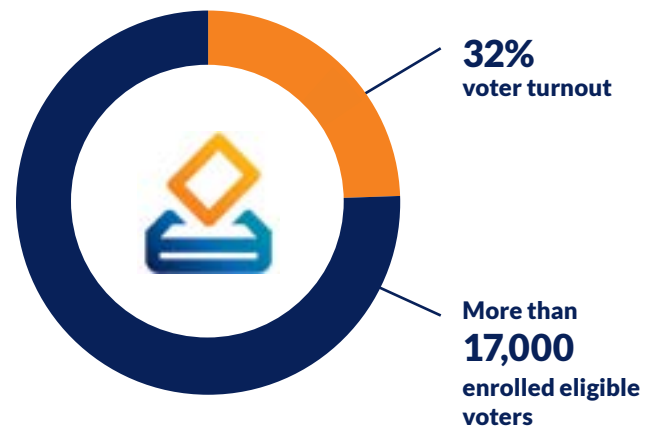
- election services
- statutory advertising
- media and communications support including an 2019 Aboriginal Land Council elections website
- social media to promote opportunities to work at the election
- reporting on the conduct of the election.

Read the *Report on the 2019 NSW Aboriginal Land Council election* on our website, at elections.nsw.gov.au/about-us/reports

The artwork opposite was designed by Jordon Lovegrove. It represents the voting experience of Aboriginal people in New South Wales.



- 20 August**
Postal vote applications open
(manual and operator assisted)
- 9 September**
Rolls close
- 8 October**
Postal vote applications open (online)
Nominations open
- 5 November**
Nominations close
- 6 November**
Ballot paper draw
- 21 November**
Pre-poll voting starts
- 25 November**
Postal vote applications close
- 4 December**
Deadline for receipt of completed
postal vote ballot papers
- 5 December**
Distribution of preferences
- 6 December**
Declaration of poll



Conducting elections continued

Impact of COVID-19 to conduct of elections

The COVID-19 pandemic poses significant public health risks to electors, candidates, party workers, election staff and the general public. There are significant planning and cost considerations in implementing measures to comply with government public health orders and advice, including social distancing, managing public mass gathering limits and implementing hygiene measures for staff and electors at polling places, including the supply of personal protective equipment.

Postponement of NSW Local Government elections

Following the passage of legislation on 24 March 2020, the Minister for Local Government announced the postponement of the September 2020 local government elections for 12 months. The Minister subsequently announced that these elections will be held on 4 September 2021.

In light of this postponement, we have been working to re-scope the work required to deliver the local government elections in September 2021 with particular consideration of social distancing requirements and public health orders. Of the 128 local councils in New South Wales, 124 have engaged us to conduct their election (two councils are in administration and will not be holding elections and two councils are using a private election service provider).

Commercial elections

In response to COVID-19 a number of commercial elections did not proceed or were postponed. Table 21 lists those commercial elections that were conducted during 2019-20.

Table 21. Elections conducted during 2019-20 for statutory bodies, service clubs and industrial organisations

Date	Organisation	Purpose
30 March 2020	APESMA	Election of remaining vacancy Assistant Secretary
29 March 2020	Cronulla Sutherland Leagues Club Ltd	Election of the Board of Directors
22 March 2020	Smithfield RSL Club Ltd	Biennial election of the Board of Directors
30 January 2020	APESMA	Vacancy election
18 December 2019	Department of Planning, Industry and Environment	Election of Health and Safety Representatives
6 December 2019	Local Government Engineers Association of NSW	Election of the Committee of Management 2020/2022
17 November 2019	Richmond Club Ltd	Election of the Board of Director
12 November 2019	The Master Fish Merchants' Association of Australia	Election of the Committee of Management
11 November 2019	Canada Bay Club Ltd	Election to the Board of two Directors
2 November 2019	Bankstown District Sports Club	Election of two Directors – Group 2
2 November 2019	ClubsNSW	Election of two Board Directors – Group 2
12 October 2019	Toronto Workers Club	Biennial election of the Board of Directors
10 October 2019	TAB Agents' Association NSW	Election of Vice President, Secretary and Executive Committee Members
10 October 2019	NSW Gun Club Ltd	Election of the Board of Directors
5 August 2019	Beresfield Bowling Club	Election of the Board of Directors

Date	Organisation	Purpose
23 July 2019	Costa Group (Tomato Exchange Pty Ltd)	Enterprise Agreement ballot for the Costa Group
9 July 2019	ClubsNSW	Election of Regional State Councillors
8 July 2019	Electrical Trades Union of Australia – NSW Branch	Election of union officers and councillors for NSW
1 July 2019	Belmont 16 Foot Sailing Club Ltd	Election of the Board of Directors

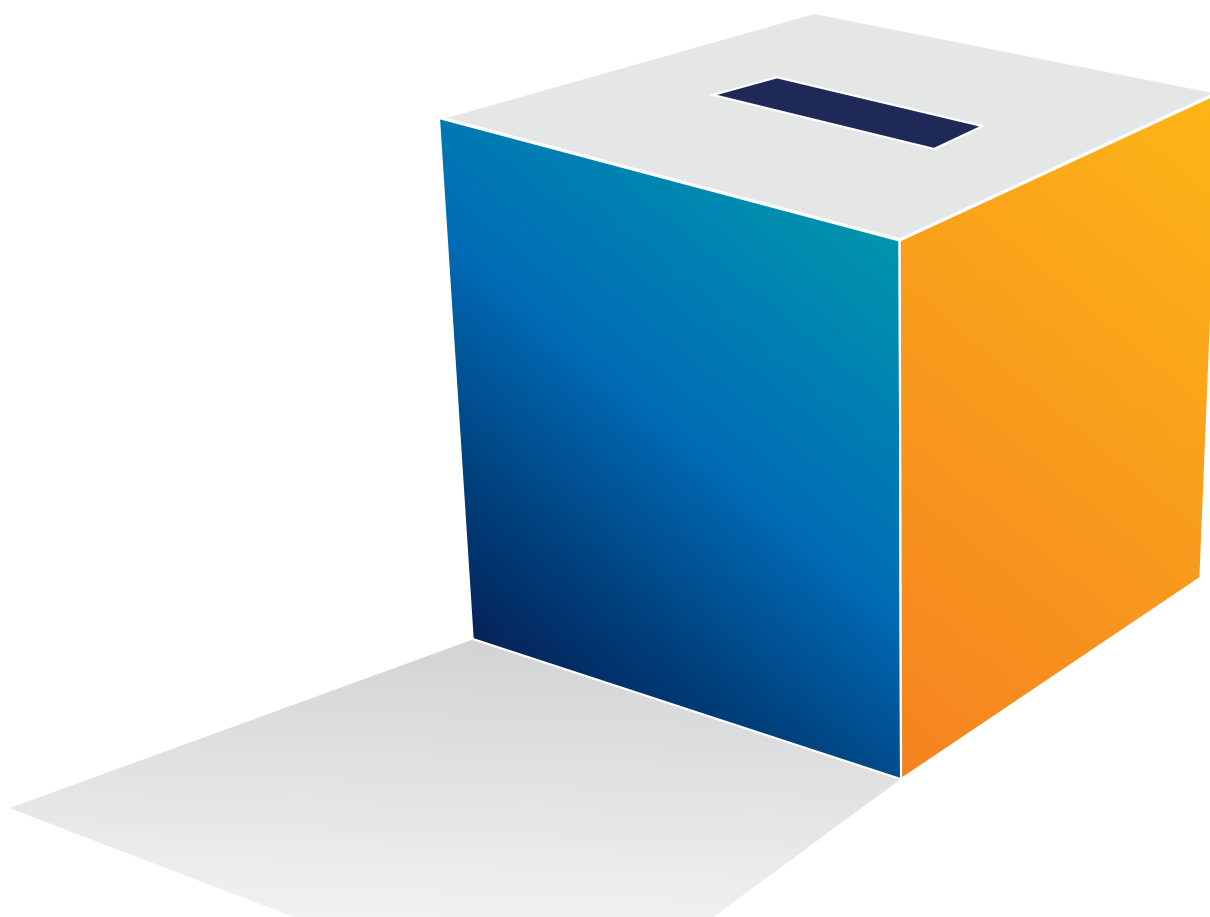
Election reports published

We have a statutory obligation to report on the conduct of State and local government general elections and by-elections.

Table 22. Election reports published

Election	Date of election	Date election report published
NSW State general election	23 March 2019	25 October 2019
Coonamble Shire Council by-election	29 June 2019	7 November 2019
Aboriginal Land Council election	30 November 2019	19 May 2020

All reports are available at <https://www.elections.nsw.gov.au/About-us/Reports>



Regulating the electoral environment

The NSW Electoral Commission is responsible for:

- maintaining public registers of political parties, candidates, third-party campaigners, associated entities and third-party lobbyists
- reviewing and publishing disclosures of political donations and electoral expenditure made by parties, candidates, groups, elected members, third-party campaigners, associated entities and major political donors
- enforcing compliance with NSW legislation for state and local government elections, enrolment, voting, lobbying and election campaign finances
- assessing claims for public funding by eligible political parties, candidates and independent members of Parliament.

We also have an educational¹ role to promote public awareness of electoral matters, facilitate public awareness of political donations and promote compliance with the requirements of the legislation. We support stakeholders by providing information across a range of channels and formats: on our website, responding to enquiries to our call centres, targeted education and information at seminars and presentations, and resources including guides, fact sheets and policy documents.

Adherence to legislative requirements

We undertake compliance and enforcement work to help ensure adherence to the legislative requirements for election campaign finances, lobbying and elections under the following legislation:

- *Electoral Act 2017*
- *Electoral Funding Act 2018*
- *Local Government Act 1993* (electoral provisions only)
- *Lobbying of Government Official Act 2011*.

The *Electoral Funding Act 2018*:

- provides for the registration of candidates, groups, third-party campaigners, associated entities and agents at state and local government elections
- provides public funding to eligible parties, candidates and independent members of Parliament
- requires the disclosure of political donations and electoral expenditure by parties, elected members, candidates, groups, third-party campaigners, associated entities and major political donors
- regulates political donations and electoral expenditure.

The *Electoral Act 2017* establishes the NSW Electoral Commission, establishes the statutory office of Electoral Commissioner, and provides for the conduct of state elections, registration of political parties and maintenance of the Electoral Information Register.

The *Lobbying of Government Officials Act 2011* provides for the registration of third-party lobbyists and establishes a code of conduct for lobbyists in New South Wales.

The electoral provisions of the *Local Government Act 1993* provide for the conduct of local government elections and empowers a local government council to resolve that the Electoral Commissioner be engaged to administer an election on its behalf.

¹ While we endeavour to support all political participants in meeting their legal obligations, we do not provide legal advice. Opinions expressed by the NSW Electoral Commission are not a substitute for the law. All political participants must satisfy themselves as to their legal position including, where appropriate, obtaining advice from their own legal advisers. It is the responsibility of individual political participants to ensure that they comply with NSW electoral law.

Registration of political parties

The Electoral Commissioner maintains publicly available registers of political parties. Extracts from the registers are published on our website. Parties are registered for state elections under the *Electoral Act 2017* and for local government elections under the *Local Government Act 1993*.

State elections

As at 30 June 2020, 16 political parties were registered for New South Wales state elections. Parties registered for state elections are also registered for local government elections. During 2019-20, no new parties were registered and two parties, the *Advance Australia Party (Building Australia Party)* and the *Australian Conservatives (NSW)* were deregistered. The *Voluntary Euthanasia Party* changed its name to *Reason Party NSW* on 3 February 2020.

Table 23. Political parties registered for state elections during 2019-20

Party name	Deregistration date
Advance Australia Party (Building Australia Party)	13 August 2019
Animal Justice Party	
Australian Conservatives (NSW)	29 May 2020
Australian Labor Party (NSW Branch)	
Christian Democratic Party (Fred Nile Group)	
Country Labor Party	
Flux Party (NSW)	
Keep Sydney Open Party	
Liberal Democratic Party	
The Liberal Party of Australia, New South Wales Division	
National Party of Australia – NSW	
Pauline Hanson’s One Nation	
Reason Party NSW	
Shooters, Fishers and Farmers Party (NSW) Incorporated	
The Small Business Party (formerly Small Business Matters)	
Socialist Alliance	
Sustainable Australia (NSW)	
The Greens NSW	

Registration of political parties

continued

Local government elections

As at 30 June 2020, 44 political parties were registered for local government elections including the 16 parties registered for state elections that are automatically registered for local government elections. During the year four new parties were registered: the *Kerryn Phelps Independents*, the *Strathfield Independents*, *Nella Hall Independents* and the *Science Party NSW*. Four parties were deregistered during the year: the *Northern Beaches Community Alliance*, the *Albury Citizens and Ratepayers Movement*, *Australian Conservatives (NSW)* and the *Advance Australia Party*.

Two parties changed their names in 2019-20: *Save Tuggerah Lakes* became *Central Coast Heart* on 24 February 2020 and the *Voluntary Euthanasia Party* became *Reason Party NSW* on 3 February 2020.

Table 24. Political parties registered during 2019-20 for local government elections

Party name	Registration in 2019-20	Deregistration date
Advance Australia Party (Building Australia Party)		13 August 2019
Albury Citizens and Ratepayers Movement		22 July 2019
Animal Justice Party		
The Arts Party NSW		
Australia First Party (NSW) Incorporated (Councils)		
Australian Conservatives (NSW)		29 May 2020
Australian Labor Party (NSW Branch)		
Australian Women's Party		
Battler		
Bob Thompson's Independent Team		
Central Coast Heart		
Christian Democratic Party (Fred Nile Group)		
Clover Moore Independent Team		
Community First Team		
Country Labor Party		
Democratic Labour Party		
Flux Party (NSW)		
Good for Manly		
The Greens NSW		
Independent Community Voice		
Keep Sydney Open Party		
Kerryn Phelps Independents	25 July 2019	
Kogarah Residents' Association		
Lake Mac Independents		
Liberal Democratic Party		
The Liberal Party of Australia, New South Wales Division		
Liverpool Community Independents Team		

Party name	Registration in 2019-20	Deregistration date
The Local Independent Party		
Lorraine Wearne Independents		
Manly Independents – Putting Residents First		
National Party of Australia – NSW		
Nella Hall Independents	26 June 2020	
Northern Beaches Community Alliance		22 July 2019
Our Local Community		
Our Sustainable Future		
Pauline Hanson’s One Nation		
Reason Party NSW		
Residents First Woollahra		
Science Party NSW	5 February 2020	
Serving Mosman		
Shoalhaven Independents Group		
Shooters, Fishers and Farmers Party (NSW) Incorporated		
The Small Business Party (formerly Small Business Matters)		
Socialist Alliance		
Strathfield Independents	29 July 2019	
Sustainable Australia (NSW)		
Totally Locally Committed Party		
Your Northern Beaches Independent Team		

Annual continued registration of political parties

Between 1 June and 30 June each year, the registered officer of each registered party must demonstrate to the Electoral Commissioner that the party continues to be eligible for registration. This includes that a party has the requisite number of members to remain registered. Parties registered for state elections must have at least 750 members and parties registered for local government elections must have at least 100 members.

At the conclusion of the continued registration process in 2019, 16 parties registered for state elections and 23 parties registered for local government elections had demonstrated continued eligibility for registration. One party registered for state election (*Advance Australia Party*) failed to lodge an annual return and the party’s registration was cancelled.

The registration of two parties registered for local government elections, the *Northern Beaches Community Alliance* and *Albury Citizens & Ratepayers Movement* was cancelled at the request of the registered officers of each of those parties.

The registration of the *Australian Conservatives (NSW)* was cancelled as the party was unable to demonstrate to the Electoral Commissioner that the party remained an eligible party and continued to meet the statutory requirements for registration.

The Science Party NSW was not required to demonstrate its continued eligibility for registration as the party was newly registered within the preceding six-month period.

Registration of political parties

continued

Registration of electoral participants

Candidates, groups and third-party campaigners are registered for an election under the Electoral Funding Act 1981. Registration allows the candidate, group or third-party campaigner to accept political donations and pay for electoral expenditure. Associated entities, party agents and official agents are also registered under the Electoral Funding Act 1981. We maintain registers for each type of electoral participant and information on the registers is published on our website.

Candidates – a person must be registered as a candidate before accepting a gift or making a payment for electoral expenditure for their proposed candidacy at a future election.

Group of candidates – two or more people must be registered as a group of candidates before accepting a gift or making a payment for electoral expenditure for the proposed candidacy of the individuals at a future election.

Third-party campaigners – an entity or person must be registered as a third-party campaigner before paying for more than \$2,000 in electoral expenditure incurred in the capped expenditure period for an election.

Associated entities – a corporation or other entity that operates solely for the benefit of one or more registered parties or elected members must be registered as an associated entity.

Party agents and official agents – each party must appoint a person to be the party agent of the party and each third-party campaigner and associated entity must appoint a person as official agent. Agents are responsible for disclosing political donations and electoral expenditure of parties, third-party campaigners and associated entities, and in certain cases, candidates, groups and elected members.

During 2019-20, the Electoral Commission registered 64 candidates, five groups and one third-party campaigner. As at 30 June 2020 there were 63 registered candidates, five registered groups and no registered third-party campaigners for the 2021 NSW Local Government elections and one registered candidate for the 2023 NSW State election.

The registrations of two candidates and one third-party campaigner were cancelled for the 2021 NSW Local Government elections at the request of the candidates and third-party campaigner (see Table 25).

During 2019-20 the Electoral Commission registered nine party agents and cancelled the registration of seven party agents at the request of the parties. As at 30 June 2020, all parties had a registered party agent.

One official agent of a third-party campaigner was registered and no official agent registrations were cancelled.

To be eligible to be appointed as a party agent or official agent a person must satisfy a number of criteria including successfully completing an online agent training program provided by the Electoral Commission. Individuals who have certain accounting qualifications are not required to complete the agent training program. During 2019-20, six people had successfully completed the online agent training program.

There were no new associated entities registered during 2019-20. As at 30 June 2020, there were four registered associated entities. Each of the four associated entities were registered prior to 1 July 2019. Each registered associated entity had a registered official agent.

Table 25. Candidate, group and third-party campaigner registrations during 2019-20

Election event	Candidates	Groups of candidates	Third-party campaigners	Registrations cancelled
2021 NSW Local Government elections	63	5	1	3
2023 NSW State election	1	0	0	0
Total	64	5	1	3

Notification of party agent consents

Under the *Electoral Funding Act 2018*, at local government elections all candidates are responsible for the management and disclosure of their political donations and electoral expenditure. The lead candidates of groups are responsible for the management and disclosure of the group's political donations and electoral expenditure. Local government elected members are responsible for the management and disclosure of their political donations and electoral expenditure.

If a candidate or elected member is a member of a registered party, or group members are members of a registered party, the candidate, group or elected member can enter into an agreement with the party agent of the party for the party agent to be responsible for the management and disclosure of the candidate, group or elected member's political donations and electoral expenditure. Such an agreement is only effective if the Electoral Commission has been notified that the party agent has consented to such an agreement.

During 2019-20, the Electoral Commission was notified that the party agent of one registered party had consented to be responsible for the management and disclosure of 27 local government elected members who are members of the registered party. The agreements were in effect until 30 June 2020.

Registration of third-party lobbyists

Third-party lobbyists and individuals engaged to undertake lobbying on behalf of a third-party lobbyist must be registered in the Lobbyist Register which is kept and maintained by the Electoral Commission under the *Lobbying of Government Officials Act 2011*. The Lobbyist Register is published on our website, at lobbyists.elections.nsw.gov.au.

During 2019-20, 32 new third-party lobbyists were registered. As at 30 June 2020, 140 third-party lobbyists were registered.

Each registered third-party lobbyist is required to appoint an officer who is responsible for the lobbyist's compliance with New South Wales lobbying laws. Such officers are responsible for completing our online training on an annual basis.

Registered third-party lobbyists are responsible for updating the Lobbyist Register within 10 days of any change to the information on the register.

Registered third-party lobbyists are also required to provide to the Electoral Commission, on 31 January, 31 May and 30 September each year, confirmation that the information in the Lobbyists Register relating to them is up-to-date.

Failure to comply with the requirements of the Act or the Lobbyists Code of Conduct can result in the suspension or cancellation of a lobbyist's registration. Decisions made by the Electoral Commission during 2019-20 to suspend or cancel a third-party lobbyist's registration or to issue a warning are detailed in the "Investigations" section in this report.

During 2019-20, we cancelled the registration of 16 third-party lobbyists at their request as they were no longer carrying on the business of lobbying.

To ensure the accuracy of the information on the register, the Electoral Commission developed a practice for the timely suspension of registration of third-party lobbyists after the end of a disclosure period if they fail to confirm their details by the legislated date, and only be reinstated when they do.

Details of the decisions made by the Electoral Commission in relation to the registration of third-party lobbyists and the reasons for those decisions are published on our website, at elections.nsw.gov.au/political-participants/third-party-lobbyists/reasons-for-decisions

Donations and expenditure

Caps on political donations and electoral expenditure

Political donations and indirect campaign contributions

Political donations and indirect campaign contributions are capped in New South Wales. The caps apply to:

- parties (registered and unregistered)
- groups of candidates
- candidates
- elected members
- third-party campaigners
- associated entities.

The caps are adjusted for inflation each financial year and are published on the Electoral Commission website (at elections.nsw.gov.au/funding-and-disclosure/political-donations/caps-on-political-donations) and the New South Wales legislation website.

Table 26. Caps on political donations and indirect campaign contributions 2019-20

Stakeholder type	Cap
Registered political parties	\$6,400
Unregistered political parties	\$2,900
Groups of candidates	\$6,400
Candidates	\$2,900
Elected members	\$2,900
Third-party campaigners	\$2,900
Associated entities	\$2,900

Source: Electoral Funding (Adjustable Amounts) (Political Donation Caps) Notice 2019.

There are exemptions to the donation caps that apply to donations made in the financial year in which the state general election is held. These amounts are also adjusted for inflation each financial year.

Table 27. Exemptions to the donation caps 2019-20

Category	Exemption
Donations to a party by a candidate in a Legislative Council election who is a member of the party	\$51,800
Donations to group of candidates by a candidate in Legislative Council election who is a member of the group but is not a member of a party	\$51,800

Source: Electoral Funding (Adjustable Amounts) (Political Donation Caps) Notice 2019.

Electoral expenditure

Under the *Electoral Funding Act 2018* electoral expenditure is subject to caps at New South Wales state and local government elections. At state elections the expenditure caps apply to electoral expenditure incurred by:

- political parties (registered and unregistered)
- independent groups for a Legislative Council election
- candidates
- third-party campaigners.

Expenditure caps at state elections are adjusted for inflation every four years after each state general election and are published on the Electoral Commission website (at elections.nsw.gov.au/funding-and-disclosure/electoral-expenditure/caps-on-electoral-expenditure/what-are-the-expenditure-caps-for-local-government) and the NSW legislation website.

Table 28. Caps on electoral expenditure incurred for state elections held 24 March 2019 to 25 March 2023

Political participant	Applicable expenditure cap
Political party with more than 10 Legislative Assembly candidates in a general election	\$132,600 multiplied by the number of endorsed Legislative Assembly candidates of the party
Any other political party	\$1,389,900
Independent group of candidates in a Legislative Council election	\$1,389,900
Party endorsed candidate in a Legislative Assembly general election	\$132,600
Non-grouped candidate in a Legislative Council election	\$198,700
Candidate in a Legislative Assembly by-election	\$265,000
Independent candidate in Legislative Assembly general election	\$198,700
Third-party campaigner registered for a state general election before the commencement of the capped expenditure period	*
Third-party campaigner registered for a state general election from or after the commencement of the capped expenditure period	*
Third-party campaigner at a state by-election	\$21,600
Electoral district cap for a political party at a state general election or where more than one by-election is held on the same day	\$66,400 per electoral district
Electoral district cap for a third-party campaigner at a state general election or where more than one by-election is held on the same day	\$26,700 per electorate

Source: Electoral Funding (Adjustable Amounts) Amendment Notice 2019. *The applicable caps for third-party campaigners were not adjusted following the 2019 NSW State Election as the caps in the *Electoral Funding Act 2018* were found by the High Court of Australia to be invalid in *Unions NSW v New South Wales (2019) HCA 1*.

The caps on electoral expenditure at local government elections apply to:

- political parties (registered and unregistered)
- groups of candidates
- ungrouped candidates
- third-party campaigners.

Donations and expenditure continued

The caps are adjusted for inflation following each local government general election. The 2021 Local Government elections due to be held 4 September 2021 are the first elections at which the following caps apply.

Table 29. Caps on electoral expenditure incurred for the 2021 Local Government elections

Number of enrolled electors for a local government area or ward	Expenditure cap applicable to non-mayoral candidates and groups that do not include a mayoral candidate	Expenditure cap applicable to mayoral candidates in undivided areas and groups that do not include a mayoral candidate in undivided areas	Third-party campaigner in an undivided area or ward
1-5,000	\$6,000	\$7,500	\$2,000
5,001-10,000	\$10,000	\$12,500	\$3,340
10,001-20,000	\$18,000	\$22,500	\$6,000
20,001-30,000	\$25,000	\$31,250	\$8,340
30,001-50,000	\$36,000	\$45,000	\$12,000
50,001-75,000	\$46,000	\$57,500	\$15,340
75,001-125,000	\$63,500	\$79,375	\$21,170
125,001 or more	\$72,000	\$90,000	\$24,000

Source: *Electoral Funding Act 2018*.

Expenditure cap applicable to parties

Political parties do not have an expenditure cap separate to the expenditure cap that applies to a party's endorsed candidates or group. Electoral expenditure incurred by a party for its endorsed candidate or group must be aggregated with electoral expenditure incurred by the candidate or group and must, in total, be within the candidate or group's expenditure cap.

Expenditure cap applicable to mayoral candidates in local government areas divided into wards

The expenditure cap for a candidate for mayor (or a group that includes a candidate for mayor) in a local government area that is divided into wards is equal to:

- 100 per cent of the cap for a non-mayoral candidate in a ward of the area plus 25 per cent of the non-mayoral candidate cap in each of the other wards of the area.

Example: if an area has four wards and the expenditure cap for a non-mayoral candidate in a ward is \$10,000, the expenditure cap for a mayoral candidate in that area is \$10,000 (ward 1) + \$2,500 (ward 2) + \$2,500 (ward 3) + \$2,500 (ward 4) = \$17,500.

Expenditure cap applicable to candidates running for mayor and councillor at the same time

The expenditure cap for a candidate running for mayor and councillor at the same election is the applicable cap for a mayoral candidate.



Disclosures of political donations and electoral expenditure

The *Electoral Funding Act 2018* requires political donations and electoral expenditure to be disclosed to the Electoral Commission by:

- political parties,
- elected members of the NSW Parliament and local councils,
- associated entities of registered parties and elected members,
- candidates, groups and third-party campaigners for NSW state and local government elections, and
- political donors who make reportable political donations².

The three-member NSW Electoral Commission is responsible for publishing the disclosures of political donations and electoral expenditure on its website (see elections.nsw.gov.au/funding-and-disclosure/disclosures/view-disclosures) and for enforcing the laws that apply to political donations and electoral expenditure.

Disclosures required to be made

Political donations made or received by political participants other than political donors must be disclosed every six months. Third-party campaigners are only required to disclose reportable political donations received for the purpose of incurring electoral expenditure in the capped expenditure period for an election. The half-yearly disclosure periods are 1 July to 31 December and 1 January to 30 June, with half-yearly disclosures due by 28 January and 28 July respectively.

Political donors that make reportable political donations, known as major political donors, must disclose annually the reportable political donations they have made. Political donors include third-party campaigners that make reportable political donations. The annual disclosure period is 1 July to 30 June with disclosures due by 28 July.

Electoral expenditure incurred by political parties, associated entities, elected members, candidates, groups and third-party campaigners must be disclosed annually with the disclosure period being 1 July to 30 June and the disclosures are due by 22 September. Third-party campaigners are only required to disclose electoral expenditure incurred in the capped expenditure period for an election.

Who is responsible for making disclosures?

The Act sets out the rules that determine who is responsible for making disclosures. Party agents of political parties are responsible for making disclosures on behalf of parties. Party agents of parties that are registered for state elections are also responsible for making disclosures on behalf of state election candidates and members of Parliament who are members of those parties.

Local government candidates, councillors, mayors, independent state election candidates and independent members of Parliament are generally responsible for making their own disclosures. The lead candidates of local government groups of candidates and independent groups at a state election are generally responsible for making disclosures on behalf of groups. Official agents of third-party campaigners and associated entities are responsible for making disclosures on behalf of third-party campaigners and associated entities. Political donors are responsible for making their own disclosures.

How are disclosures made?

Disclosures must be made using the forms provided by the Electoral Commission. We publish the forms for a disclosure period on our website on the first day of the disclosure lodgement period. We email the people who are responsible for making a disclosure to let them know when the forms are available for use and details on how and when to disclose.

We publish fact sheets on our website to help people understand how to comply with the disclosure requirements. We promote the disclosure requirements on our website at the time disclosures are due to be lodged. We aim to increase awareness of the disclosure requirements more broadly by promoting the disclosure lodgement period on our social media platforms.

The disclosure forms include a declaration that must be made by the person responsible for making the disclosure. The declaration is to the effect that all that is required to be disclosed has been disclosed. We check each disclosure that is lodged to make sure the person who is lawfully required to lodge the disclosure has signed the declaration and used the approved form.

We provide political parties with a worksheet to populate the information required to be disclosed in lieu of using the tables within the disclosure forms. A disclosure form must be signed and lodged even if a worksheet has been used.

² A reportable political donation is a political donation of \$1,000 or more or multiple donations of less than \$1,000, made by the same donor to the same recipient in a financial year, that in total are \$1,000 or more.

If a person responsible for making a disclosure is not able to lodge the disclosure form on time they can request an extension. The request must be made before the due date for making the disclosure and we can only approve an extension if proper reasons exist to justify the extension. The Electoral Commission can grant a conditional extension where the person is asked to disclose what they can by the due date and then disclose the remaining information by the extended due date.

If a disclosure form is not validly lodged, that is, has not been made by the person responsible under the Act for making a disclosure or has not been made using the approved form, the person is advised the disclosure was not validly lodged and is advised to submit a valid disclosure form by the due date.

An 'incomplete' disclosure form is one where there is incomplete information included in the form. When an 'incomplete' disclosure form is received the person responsible for making the disclosure is advised and is given an opportunity to resubmit the complete information to be disclosed. It is an offence under the Act to lodge an 'incomplete' disclosure without a reasonable excuse.

Amended disclosures can be lodged where political donations or electoral expenditure can be added, omitted or substituted. The person who is lawfully responsible for making an amended disclosure also must make a declaration to the effect that what is required to be disclosed has been disclosed.

We are authorised under the Act to audit disclosures that are lodged and to enforce breaches of the disclosure requirements. Detailed information about the audit and compliance activities during 2019-20 can be found in the "Compliance and enforcement" section of this report.

Disclosures lodged during 2019-20

During 2019-20 disclosures were received for the disclosure periods listed in Table 30. Detailed information follows on each of these periods.

A small number of disclosures were also received for past periods. Detailed information about those past periods are in our annual reports for past periods published on the website (at elections.nsw.gov.au/about-us/reports/annual-reports).

Table 30. Disclosures received and relevant disclosure periods 2019-20

Disclosure period	Disclosure period dates	First date of lodgement	Disclosures due
Second-half period 2018-19	1 January 2019 to 30 June 2019	1 July 2019	29 July 2019
Annual electoral expenditure 2018-19	1 July 2018 to 30 June 2019	1 July 2019	23 September 2019
Annual reportable political donations by donors 2018-19	1 July 2018 to 30 June 2019	1 July 2019	29 July 2019
First-half period 2019-20	1 July 2019 to 31 December 2019	1 January 2020	28 January 2020

'On-time' lodgement rates

A comparison of 'on-time' lodgement rates shows fluctuations in the level of compliance since 2013-14.

Table 31. 'On-time' lodgement rates for disclosures lodged since 2013-14

Political participant	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Political parties	76%	76%	72%	64%	78%	81%	61%
Elected members	70%	76%	74%	67%	76%	83%	83%
Candidates	78%	78%	60%	64%	71%	63%	N/A
Groups of candidates	68%	75%	58%	65%	67%	71%	82%
Third-party campaigners	80%	98%	47%	54%	N/A	85%	67%
Associated entities	67%	100%	N/A	N/A	N/A	N/A	N/A
Donors	43%	43%	47%	50%	57%	52%	28%

Where "N/A" is shown, the item was not applicable to these political participants.

Disclosures of political donations and electoral expenditure continued

Second half-yearly political donation disclosures 2018-19

Political donation disclosures for the second half-yearly period in 2018-19 were due to be lodged between 1 July and 29 July 2019³.

The half-yearly period included the 2019 NSW State election so was a major disclosure period in the four-year election cycle. Disclosures for this half-yearly period were not required to include any political donations of \$1,000 or more that were disclosed for the pre-election period for the 2019 NSW State election. Details on pre-election period disclosures can be found in our annual report for 2018-19 as they were all due to be lodged during 2018-19.

We expected to receive 2,592 half-yearly disclosure forms. We received 1,777 by the due date, taking into account that the due date was extended in a number of cases; 725 disclosures were lodged in 2019-20 after the due date and 90 were not received during 2019-20.

Table 32. Disclosure obligations and disclosures lodged second half-yearly period 2018-19

Political participant	Number of disclosure obligations	Lodged on time	Lodged late during 2019-20	Not lodged during 2019-20	On time lodgement rate
Political parties	49	36	13	0	73%
Elected members	1,454	898	490	66	62%
Candidates	1,000	776	206	18	78%
Groups of candidates	20	12	7	1	60%
Third-party campaigners	65	51	9	5	78%
Associated entities	4	4	0	0	100%
Total	2,592	1,777	725	90	69%

The due date was extended in 10 cases with respect to disclosures to be made by or on behalf of three political parties, five elected members and two candidates.

In addition to disclosures lodged there were 31 amended disclosures lodged by or on behalf of six political parties, 18 elected members and seven candidates.

There were 308 disclosure forms that were not validly lodged. In 287 cases a valid disclosure form was subsequently lodged. The most common reasons for a disclosure form not being validly lodged were that the wrong disclosure form was used or that the declaration made on the form did not comply (for example, was not signed or was signed by the wrong person).

³ The 28th of July was a Sunday so the due date for making disclosures is the first business day after.

There were 1,823 'nil' disclosures lodged. A 'nil' disclosure is one where no political donations were disclosed. Table 33 shows the 'nil' disclosures by political participant.

Table 33. 'Nil' disclosures lodged second half-yearly period 2018-19

Political participant	Number of 'nil' disclosures lodged	'Nil' disclosures as a percentage of all disclosures lodged by political participants
Political parties	20	41%
Elected members	1,115	82%
Candidates	631	65%
Groups of candidates	15	79%
Third-party campaigners	38	64%
Associated entities	4	100%
Total	1,823	74%

Based on the disclosures and amended disclosures received in 2019-20, a total of \$14,553,122 in political donations and reportable loans were received in the half-yearly period as shown in Table 34.

Table 34. Political donations and loans received second half-yearly period 2018-19

Political participant	Small political donations received	Reportable political donations received	Membership and affiliation fees received	Reportable loans received	Total donations and loans received
Political parties	2,579,773	1,244,118	2,007,223	7,788,325	13,619,439
Elected members	286,595	69,680	N/A	-	356,275
Candidates	332,415	95,244	N/A	76,324	503,983
Groups	6,402	2,635	N/A	10,515	19,552
Associated entities	-	-	N/A	-	-
Third-party campaigners	N/A	53,873	N/A	-	53,873
Total	\$3,205,185	\$1,465,550	\$2,007,223	\$7,875,164	\$ 14,553,122

Disclosures of political donations and electoral expenditure continued

Based on the disclosures and amended disclosures received in 2019-20, a total of \$1,404,729 in political donations were made in the half-yearly period as shown in Table 35.

Table 35. Political donations made second half-yearly period 2018-19

Political Participant	Small political donations made	Reportable political donations made	Total
Political parties	\$3,960	\$6,300	\$10,260
Elected members	\$109,438	\$601,106	\$710,544
Candidates	\$44,587	\$201,991	\$246,578
Groups	\$2,958	\$64,832	\$67,790
Third-party campaigners*	N/A	\$369,557	\$369,557
Associated entities	\$0	\$0	\$0
Total	\$160,943	\$1,243,786	\$1,404,729

*Third-party campaigners can disclose reportable political donations made in a third-party campaigner disclosure form or in an annual major political donor form.

The disclosures and amended disclosures lodged also included the net or gross proceeds from fundraising ventures and functions. The amounts disclosed are listed in Table 36.

Table 36. Net or gross proceeds from fundraising ventures and functions second half-yearly period 2018-19

Political participant	Net or gross proceeds from fundraising ventures and functions
Political parties	\$1,092,904
Elected members	\$283,556
Candidates	\$160,950
Groups	\$1,090
Associated entities	\$0
Third-party campaigners	\$3,704
Total	\$1,542,204

The disclosures and amended disclosures lodged also included the contributions made by candidates, elected members and groups of candidates into their campaign accounts. The amounts disclosed are listed in Table 37.

Table 37. Contributions made by candidates, groups and elected members into their own campaign accounts second half-yearly period 2018-19

Political participant	Self-funding contributions made
Elected members	\$116,379
Candidates	\$634,110
Groups	\$7,419
Total	\$757,908

Financial records of political parties

Political parties are required to lodge copies of their audited annual financial statements and associated financial records with their second half-yearly disclosure form. These records help us audit each parties' compliance with the disclosure requirements. Table 38 shows the number of parties that complied with this requirement.

Table 38. Lodgement of financial records of parties second half-yearly disclosure 2018-19

Document	Lodged	Not available/ not lodged	Total
Audited financial statements (only for parties registered for State elections)	11	7	18
Financial records	15	34	49
Chart of accounts	13	36	49
Trial balance	15	34	49
Bank statements	15	34	49

Annual electoral expenditure disclosures 2018-19

Electoral expenditure disclosures for the annual period ending 30 June 2019 were due to be lodged between 1 July and 23 September 2019⁴.

The annual period included the 2019 NSW State election so was a major disclosure period in the four-year election cycle.

We expected to receive 2,592 electoral expenditure disclosure forms. We received 1,998 by the due date, taking into account that the due date was extended in a number of cases; 525 disclosures were lodged in 2019-20 after the due date and 69 were not received during 2019-20.

Table 39. Disclosure obligations and disclosures lodged annual electoral expenditure period 2018-19

Political participant	Number of disclosure obligations	Lodged on time	Lodged late during 2019-20	Not lodged during 2019-20	On-time lodgement rate
Political parties	49	37	12	0	76%
Elected members	1,454	1,110	296	48	76%
Candidates	1,000	778	203	19	78%
Groups of candidates	20	15	4	1	75%
Third-party campaigners	65	54	10	1	83%
Associated entities	4	4	0	0	100%
Total	2,592	1,998	525	69	77%

The due date was extended in two cases with respect to disclosures to be made by or on behalf of one political party and one elected member.

In addition to disclosures lodged there were 50 amended disclosures lodged by or on behalf of four political parties, five elected members, 40 candidates and one third-party campaigner.

There were 119 disclosure forms that were not validly lodged. In 102 cases a valid disclosure form was subsequently lodged. The most common reasons for a disclosure form not being validly lodged were that the wrong disclosure form was used or that the declaration made on the form did not comply (for example, was not signed or was signed by the wrong person).

⁴ The 22nd of September was a Sunday so the due date for making disclosures is the first business day after.

Disclosures of political donations and electoral expenditure continued

During the period, 2,064 'nil' disclosures were lodged. A 'nil' disclosure is one where no electoral expenditure was disclosed. Table 40 shows the 'nil' disclosures by political participant.

Table 40. 'Nil' disclosures lodged annual electoral expenditure period 2018-19

Political participant	Number of 'nil' disclosures lodged	'Nil' disclosures as a percentage of all disclosures lodged by participant type
Political parties	26	53%
Elected members	1,282	91%
Candidates	716	73%
Groups of candidates	12	63%
Third-party campaigners	24	38%
Associated entities	4	100%
Total	2,064	82%

Based on the disclosures and amended disclosures received in 2019-20, a total of \$47,195,634 in electoral expenditure was incurred in the annual period as shown in Table 41.

Table 41. Electoral expenditure incurred annual period 2018-19

Political participant	Advertising (\$)	Production and distribution of election material (\$)	Internet, communications, stationery and postage (\$)	Employing staff engaged in election campaigns (\$)	Office accommodation for staff and candidates (\$)	Travel and travel accommodation for staff and candidates (\$)	Research associated with election campaigns (other than in-house research) (\$)	Raising funds for election or in auditing campaign accounts (\$)	Total (\$)
Political parties	13,203,353	4,017,168	758,179	3,658,359	270,057	304,701	2,948,036	1,742,325	26,902,178
Elected members	929,247	382,320	165,079	-	19,788	61,840	7,930	266,099	1,832,303
Candidates	6,454,689	3,806,061	466,574	413,169	197,558	181,661	93,147	230,813	11,843,671
Groups	68,373	4,579	263	-	-	19,565	-	31	92,810
Associated entities	-	-	-	-	-	-	-	-	-
Third-party campaigners	4,243,423	1,053,605	88,781	624,906	891	69,168	430,101	13,796	6,524,672
Total	24,899,085	9,263,732	1,478,876	4,696,434	488,295	636,935	3,479,214	2,253,063	47,195,634

Annual major political donor disclosures 2018-19

Major political donor disclosures for the annual period ending 30 June 2019 were due to be lodged between 1 July and 29 July 2019⁵. The annual period included the 2019 NSW State election so was a major disclosure period in the four-year election cycle.

We expected to receive approximately 1,585 major political donor disclosure forms. We received 685 by the due date, taking into account that the due date was extended in a number of cases. This represents an 'on-time' lodgement rate of 43%; 662 disclosures were lodged in 2019-20 after the due date and 238 were not received during 2019-20.

The due date was extended in four cases. In addition to disclosures lodged, there were 16 amended disclosures lodged during 2019-20.

There were 111 disclosure forms that were not validly lodged. In 82 cases a valid disclosure form was subsequently lodged. The most common reasons for a disclosure form not being validly lodged were that the wrong disclosure form was used or that the declaration made on the form did not comply (for example, was not signed or was signed by the wrong person).

Based on the disclosures and amended disclosures lodged during 2019-20 a total of \$4,814,275 in reportable political donations were disclosed by major political donors as having been made during the annual period ending 30 June 2019.

First half-yearly political donation disclosures 2019-20

Political donation disclosures for the first half-yearly period in 2019-20 were due to be lodged between 1 January and 28 January 2020.

There were no elections held in this half-yearly period so it was not a major disclosure period in the four-year election cycle. Candidates, groups and third-party campaigners were registered for the 2021 NSW Local Government elections and therefore were required to make disclosures for this period.

We expected to receive 1,490 half-yearly disclosure forms. We received 1,066 by the due date, taking into account that the due date was extended in a number of cases; 369 disclosures were lodged in 2019-20 after the due date and 55 were not received during 2019-20.

Table 42. Disclosure obligations and disclosures lodged first half-yearly period 2019-20

Political participant	Number of disclosure obligations	Lodged on time	Lodged late during 2019-20	Not lodged during 2019-20	On-time lodgement rate
Political parties	46	37	8	1	80%
Elected members	1,424	1,017	354	53	71%
Candidates	14	11	2	1	79%
Groups of candidates	1	1	0	0	100%
Third-party campaigners	1	0	1	0	0%
Associated entities	4	0	4	0	0%
Total	1,490	1,066	369	55	72%

The due date was extended in 105 cases with respect to disclosures to be made by or on behalf of three political parties and 102 elected members. In addition to disclosures lodged there were seven amended disclosures lodged by or on behalf of two political parties and five elected members.

There were 308 disclosure forms that were not validly lodged. In 287 cases a valid disclosure form was subsequently lodged. The most common reasons for a disclosure form not being validly lodged were that the wrong disclosure form was used or that the declaration made on the form did not comply (for example, was not signed or was signed by the wrong person).

⁵ The 28th of July was a Sunday so the due date for making disclosures is the first business day after.

Disclosures of political donations and electoral expenditure continued

There were 1,030 'nil' disclosures lodged. A 'nil' disclosure is one where no political donations were disclosed. Table 43 shows the 'nil' disclosures by political participant.

Table 43. 'Nil' disclosures lodged first half-yearly period 2019-20

Political participant	Number of 'nil' disclosures lodged	'Nil' disclosures as a percentage of all disclosures lodged by participant type
Political parties	25	56%
Elected members	988	72%
Candidates	11	85%
Groups of candidates	1	100%
Third-party campaigners	1	100%
Associated entities	4	100%
Total	1,030	72%

Based on the disclosures and amended disclosures received in 2019-20, a total of \$7,051,197 in political donations and reportable loans were received in the half-yearly period as shown below.

Table 44. Political donations and loans received first half-yearly period 2019-20

Political participant	Small political donations received	Reportable political donations received	Membership and affiliation fees received	Reportable loans received	Total donations and loans received
Political parties	\$1,275,478	\$2,238,482	\$911,204	\$2,512,482	\$6,937,646
Elected members	\$75,003	\$8,548	N/A	\$30,000	\$113,551
Candidates	\$0	\$0	N/A	\$0	\$0
Groups	\$0	\$0	N/A	\$0	\$0
Associated entities	\$0	\$0	N/A	\$0	\$0
Third-party campaigners	N/A	\$0	N/A	\$0	\$0
Total	\$1,350,481	\$2,247,030	\$911,204	\$2,542,482	\$7,051,197

Based on the disclosures and amended disclosures received in 2019-20, a total of \$541,970 in political donations were made in the half-yearly period as shown in Table 45.

Table 45. Political donations made first half-yearly period 2019-20

Political Participant	Small political donations made	Reportable political donations made	Total
Political parties	\$500	\$0	\$500
Elected members	\$77,040	\$464,310	\$541,350
Candidates	\$60	\$60	\$120
Groups	\$0	\$0	\$0
Third-party campaigners*	N/A	\$0	\$0
Associated entities	\$0	\$0	\$0
Total	\$77,600	\$464,369	\$541,970

*Third-party campaigners can disclose reportable political donations made in their third-party campaigner disclosure form or in an annual major political donor form.

The disclosures and amended disclosures lodged also included the net or gross proceeds from fundraising ventures and functions. The amounts disclosed are listed in Table 46.

Table 46. Net or gross proceeds from fundraising ventures and functions first half-yearly period 2019-20

Political participant	Net or gross proceeds from fundraising ventures and functions
Political parties	\$830,007
Elected members	\$73,808
Candidates	\$0
Groups	\$0
Associated entities	\$0
Third-party campaigners	\$0
Total	\$903,815

Disclosures received for past periods

During 2019-20 a number of disclosures and amended disclosures were received for past disclosure periods as shown in Table 48. Disclosures that are lodged past the due date are dealt with in accordance with our Compliance and Enforcement Policy. Amended disclosures are generally lodged as an outcome of findings through a compliance audit.

Table 48. Disclosures and amended disclosures received during 2019-20 for past disclosure periods

Political participant	2019 NSW State election pre-election period	First half-yearly period 2018-19	2017-18 annual period	2016-17 annual period	2015-16 annual period	2014-15 annual period
Political parties	1 disclosure; 24 amended disclosures	7 amended disclosures	8 amended disclosures	2 amended disclosures		2 amended disclosures
Elected members	3 amended disclosures	26 disclosures; 13 amended disclosures	6 disclosures; 18 amended disclosures	1 amended disclosure		
Candidates	1 amended disclosure	1 disclosure; 4 amended disclosures	10 disclosures; 116 amended disclosures	17 amended disclosures		
Groups of candidates			3 disclosures; 31 amended disclosures	3 amended disclosures		
Third-party campaigners	1 amended disclosure	2 amended disclosures	1 amended disclosure			
Major political donors			22 disclosures; 29 amended disclosures	1 disclosure; 1 amended disclosure	1 disclosure	

The disclosures and amended disclosures lodged also included the contributions made by candidates, elected members and groups of candidates into their campaign accounts. The amounts disclosed are listed in Table 47.

Table 47. Contributions made by candidates, groups and elected members into their own campaign accounts first half-yearly period 2019-20

Political participant	Self-funding contributions made
Elected members	\$31,492
Candidates	\$8,000
Groups	\$0
Total	\$39,492

Obligations of registered parties and senior office holders

The *Electoral Funding Act 2018* imposes certain governance and accountability requirements on registered parties.

Audited annual financial statements of registered parties

The *Electoral Funding Act 2018* requires parties registered for state elections to provide the Electoral Commission with copies of their audited annual financial statements. The annual financial statements must be prepared in accordance with the Australian Auditing Standards.

We use the annual financial statements as part of our audit and compliance program to ensure parties are complying with the disclosure and public funding requirements of the Act.

A registered party is not entitled to receive public funding payments if the latest copy of the party's audited annual financial statements have not been lodged. We are authorised to waive this requirement for parties that are not eligible to receive public funding or where the cost of compliance is considered to be unreasonable. We have waived this requirement for parties that were not entitled to receive public funding payments during the financial year to which the financial statements would relate.

During 2019-20, the audited annual financial statements were due to be lodged on 21 October 2019. Of the 18 parties registered for state elections at that time, 11 provided copies of the audited annual financial statements. The 'waiver' applied in seven cases and those parties did not provide copies of the statements.

Senior office holders of registered parties

A senior office holder of a party is a person involved in the management or control of the party or the operations of the party. Senior office holders have a duty under the *Electoral Funding Act 2018* to report to the Electoral Commission any conduct in connection with the party that the office holder knows or reasonably believes constitutes a contravention of the Act. This applies to senior office holders of parties registered for state elections and parties registered for local government elections.

The Act states that a registered party is not eligible to receive public funding payments unless it provides the Electoral Commission with a list of senior office holders, their roles and responsibilities. The NSW Electoral Commission must be notified as and when the senior office holders change or the roles and responsibilities of senior office holders change.

During 2019-20 the registered parties that received public funding payments had all provided a list of senior office holders. The lists are published on our website. The Electoral Commission was notified on 27 occasions of changes to senior office holder lists. No public funding payments were withheld or delayed due to a party not providing a list or not notifying the Electoral Commission of changes to a list.



Public funding

The *Electoral Funding Act 2018* provides for three schemes where public funds are used by the Electoral Commission to make payments to eligible political parties, candidates and members of the NSW Parliament.

Each of the schemes set out criteria that determines eligibility to receive funding, the manner in which claims for funding must be made and the rules for assessing the amount a claimant is entitled to receive.

We are authorised under the legislation to audit claims for payment to ensure the effective administration of the funding schemes and the appropriate use of public funds. Claimants are required to respond to requests for information and provide documents to support the audit process.

Risk-based audits are undertaken for each claim for payment received. The risk-based approach may include auditing a sample of expenditure included in a claim. A risk profile is determined for each claimant based on the likelihood and consequence of potential incidents of non-compliance.

Each of the schemes reimburse claimants for expenditure incurred. In some cases, payments are made in advance where claimants subsequently provide evidence of expenditure incurred. Any excess amounts paid to claimants are payable back to New South Wales consolidated revenue.

The Electoral Commission is authorised under the legislation to withhold payments where a claimant has not met the disclosure requirements under the legislation for political donations or electoral expenditure or where a party has not provided the Electoral Commission with a copy of its audited annual financial statements or an up-to-date list of senior office holders.

We are authorised under the legislation to disallow items of expenditure included in a claim under certain circumstances including if expenditure is not eligible to be included in a claim.

The three funding schemes are:

- the Election Campaigns Fund, which provides payments to eligible parties and candidates for electoral expenditure incurred at a state election,
- the Administration Fund, which provides payments to eligible parties and independent members of the NSW Parliament for administrative expenditure incurred, and
- the New Parties Fund, which provides payments to eligible parties for policy development expenditure incurred.

Election Campaigns Fund

The purpose of the Election Campaigns Fund is to reimburse eligible political parties and candidates for electoral expenditure incurred in connection with a state election. Electoral expenditure is expenditure that promotes or opposes a party or candidate or influences the vote at an election. Electoral expenditure is capped in the lead-up to a state election, which means parties and candidates can only spend within the applicable cap amount.

Parties and candidates must meet the criteria set out in the legislation to be eligible to receive payments from the fund. This includes that a party or candidate is registered for a NSW state general election or by-election and a candidate is elected, or an endorsed candidate of the party is elected, or receives at least four per cent of the first preference vote.

The expenditure that can be included in a claim is actual electoral expenditure incurred by the eligible party or candidate during the capped expenditure period for the election. In the case of a state general election expenditure incurred in the three months prior to the start of the capped expenditure period can also be included in a claim. The claim must list the expenditure incurred and the expenditure must be supported by evidence including invoices or receipts.

An eligible party or candidate is entitled to receive the lesser amount of the following:

- a certain dollar amount for each first preference vote received or
- the amount of electoral expenditure incurred in the claimable period that is within the expenditure cap of the party or candidate.

During 2019-20, the Electoral Commission made payments from the Election Campaigns Fund to eligible parties and candidates for the 2019 NSW State election.

Public funding continued

2019 NSW State election

Nine parties and 47 candidates were eligible to make a claim for payment for electoral expenditure incurred in connection with the 2019 NSW State election. Claims for payment were due to be submitted to the Electoral Commission after the election by 2 September 2019. Copies of the claims lodged can be found on our website.

Following the election, we advised all eligible parties and candidates of their maximum amount payable and the process and deadline for making a claim. The maximum amount payable is based on the number of first preference votes received by the eligible party or candidate. The first preference votes received by the eligible parties and candidates can be found on our website and the 'dollar per vote' amounts can be found in sections 67 and 69 of the Electoral Funding Act 1981.

The due date for lodging a claim can be extended on a case-by-case basis if the Electoral Commission is satisfied that proper reason exists to justify an extension.

Payments to parties

During 2019-20, we received claims for payment from seven parties. Claims for payment were received from two parties in 2018-19. A total of \$29,430,700.94 was paid to eligible parties for the 2019 NSW State election, with \$13,616,606.57 paid as advance payments in 2018-19. All claims were lodged on or before the due date.

Parties that make a claim for payment are eligible to receive a 90% preliminary payment within 14 days of the Electoral Commission receiving all of the required documentation supporting the claim.

A preliminary payment is made if we are unable to finalise dealing with the claim within 14 days.

A final payment is then made to those parties when the amount payable is verified through the audit process.

If we are able to finalise dealing with a claim within 14 days a single payment is made to the party within 14 days of the Electoral Commission receiving all of the required documentation.

Parties who were entitled to receive funding for the 2015 NSW State election were eligible to claim an advance payment prior to the 2019 NSW State election. An advance payment is equal to 50% of what a party was entitled to receive for the 2015 election. Advance payments are made prior to the 2019 NSW state election. Eight parties were eligible to claim an advance payment and we received claims for advance payment from seven parties. The advance payments were made during 2018-19.

If the Electoral Commission is satisfied that two or more registered parties endorsed the same candidate or group of candidates at the election, and the candidates each claim to have been endorsed by those parties, the parties are taken to be one registered party and the amount that payable to the registered party is paid as shared funding between the two or more registered parties. The shared funding is paid equally between the two or more parties or as otherwise directed to the Electoral Commission by the party agents of those parties.

We received two shared funding directions. One in relation to the group of candidates for the Legislative Council election that were endorsed by the *Liberal Party* and *National Party* where the parties' funding was split 70% to the *Liberal Party* and 30% to the *National Party*.

The other shared funding direction was in relation to the group of candidates for the Legislative Council election that were endorsed by the *Labor Party* and *Country Labor Party* where the parties' funding was split 66% to the *Labor Party* and 34% to the *Country Labor Party*. The following payments were made to eligible parties.

Table 49. Election Campaigns Fund payments to political parties for the 2019 NSW State election

Party	Maximum amount payable (\$)	Advance payment (paid in 2018-19) (\$)	Preliminary payment (\$)	Preliminary payment date	Final payment (\$)	Final payment date	Total amount paid (\$)	Total amount paid (\$)
Animal Justice Party	578,174.76	1,912.11	-	-	100,089.90	08/08/2019	102,002.01	102,002.01
Australian Labor Party (NSW Branch)	5,133,398.76*	4,293,544.00	992,685.87	20/09/2019	2,638,751.05	16/12/2019	7,924,980.92	7,924,980.92
Christian Democratic Party (Fred Nile Group)	486,306.72	-	-	-	486,306.72	20/08/2019	486,306.72	486,306.72
Country Labor Party	5,697,833.76*	721,080.50	649,474.78	20/09/2019	1,529,885.70	16/12/2019	2,900,440.98	2,900,440.98
The Liberal Party of Australia NSW Division	11,301,138.36*	4,929,788.00	3,894,530.62	16/09/2019	980,479.85	28/11/2019	9,804,798.47	9,804,798.47
National Party of Australia – NSW	1,897,020.00*	1,849,032.00	1,204,991.90	16/09/2019	339,335.99	28/11/2019	3,393,359.89	3,393,359.89
Pauline Hanson's One Nation	1,210,238.28	-	391,950.92	1/07/2019	43,550.10	19/12/2019	435,501.02	435,501.02
Shooters, Fishers and Farmers Party (NSW) Incorporated	1,479,573.00	377,709.75	-	-	1,045,129.80	16/09/2019	1,422,839.55	1,422,839.55
The Greens NSW	3,283,849.08	1,443,540.21	885,475.18	16/12/2019	631,455.99	19/03/2019	2,960,471.38	2,960,471.38
Total amount paid (\$)		13,616,606.57					29,430,700.94	29,430,700.94

*This number is calculated based on first preference votes received by the endorsed candidates of the party, however, the party has a shared funding agreement with another party to split the parties' funding.

Public funding continued

Payments to candidates

During 2019-20, the Electoral Commission received claims for payment from 18 candidates. Claims for payment were received from 19 candidates in 2018-19. Ten candidates did not lodge a claim for payment. Six claims for payment were lodged by candidates after the due date. In each case we approved an extension of the due date as there were proper reasons to justify an extension.

A total of \$594,892.15 was paid to 36 eligible candidates for the 2019 NSW State election during 2019-20. A claim for payment lodged by one candidate was not able to be paid as we could not verify expenditure was incurred by the candidate.

Table 50. Election Campaigns Fund payments for electoral expenditure 2019-20

Candidate name	Electoral District	Party affiliation	Maximum amount payable	Payment amount	Payment date
Mick Allen	Macquarie Fields		\$14,519.52	\$1,263.86	10/07/2019
Michael Andjelkovic	Liverpool		\$14,143.68	\$11,110.72	19/09/2019
Greg Bennett	Lismore		\$10,929.60	\$9,532.18	18/07/2019
Marie-Jeanne Bowyer	Hawkesbury		\$9,892.80	\$9,892.80	14/11/2019
Carolyn Corrigan	North Shore		\$40,353.12	\$30,065.11	30/01/2020
Mathew Dickerson	Dubbo		\$59,490.72	\$59,490.72	19/09/2019
Noel D'Souza	Maroubra		\$28,045.44	\$14,979.80	19/09/2019
Colin Furphy	North Shore	Keep Sydney Open Party	\$8,609.76	\$2,907.76	10/07/2019
Mick Gallagher	Hornsby		\$9,879.84	\$9,879.84	9/01/2020
Michelle Garrard	Parramatta		\$8,445.60	\$8,445.60	10/10/2019
Alex Greenwich*	Sydney		\$77,349.60	\$77,349.60	11/07/2019
Judy Hannan	Wollondilly		\$44,314.56	\$44,314.56	10/07/2019
Dai Le	Cabramatta		\$52,920.00	\$52,920.00	10/07/2019
Emilia Leonetti	Balmain	Keep Sydney Open Party	\$9,797.76	\$2,307.65	10/07/2019
Andrea Makris	Summer Hill	Keep Sydney Open Party	\$12,057.12	\$3,963.05	10/07/2019
Milan Maksimovic	Prospect		\$12,744.00	\$10,204.62	24/10/2019
Joe McGirr	Wagga Wagga		\$93,666.24	\$55,937.95	5/09/2019
Dane Murray	Manly	Keep Sydney Open Party	\$10,609.92	\$10,385.99	10/07/2019
Phil Naden*	Barwon		\$11,080.80	\$4,083.15	10/07/2019
Nikola Nastoski	Wollongong		\$12,225.60	\$11,033.00	9/01/2020
Debrah Novak	Clarence		\$13,124.16	\$540.00	1/08/2019
Joseph O'Donoghue	Coogee	Keep Sydney Open Party	\$9,642.24	\$2,734.18	10/07/2019
Larissa Penn**	Willoughby		\$20,485.44	-	-
Greg Piper	Lake Macquarie		\$115,823.52	\$28,627.84	17/12/2019
Richard Quinn	Lane Cove		\$25,742.88	\$20,756.60	10/07/2019

Candidate name	Electoral District	Party affiliation	Maximum amount payable	Payment amount	Payment date
Mark Rodda	Tamworth		\$35,782.56	\$27,109.71	18/07/2019
Chris Ryan	Heffron	Keep Sydney Open Party	\$19,764.00	\$2,475.96	10/07/2019
Paul Sandilands	Myall Lakes		\$18,010.08	\$5,759.73	7/11/2019
Glenn Seddon	Swansea	Australian Conservatives (NSW)	\$11,041.92	\$11,041.92	14/11/2019
Jacob Shteyman	Davidson	Keep Sydney Open Party	\$8,570.88	\$824.63	10/07/2019
Andrew Simpson	Camden		\$17,487.36	\$4,400.98	24/10/2019
Scott Singh	Macquarie Fields	Keep Sydney Open Party	\$10,380.96	\$2,307.65	10/07/2019
Martin Stevenson	Wyang	Australian Conservatives (NSW)	\$13,620.96	\$13,620.96	7/11/2019
Sally Townley	Coffs Harbour		\$35,627.04	\$29,304.45	20/08/2019
George Tulloch	Rockdale	Keep Sydney Open Party	\$12,376.80	\$2,713.65	10/07/2019
Phuoc Vo	Cabramatta		\$8,964.00	\$8,964.00	28/11/2019
Laura White	Newtown	Keep Sydney Open Party	\$14,234.40	\$3,641.93	10/07/2019
Total amount paid in 2019-20				\$594,892.15	

*These payments were recognised in the agency's financial statements in the 2018-19 financial year but paid in the 2019-20 financial year.

**Candidate lodged a claim for payment but a payment was not made as the expenditure included in the claim could not be verified.

Administration Fund

The purpose of the Administration Fund is to reimburse eligible political parties and independent members of the NSW Parliament for administrative and operating expenditure incurred. Administrative and operating expenditure includes:

- expenditure on the administration or management of the activities of the eligible party or elected member
- expenditure for conferences, seminars, meetings or similar functions at which the policies of the eligible party or elected member are discussed or formulated
- expenditure on providing information to the public or a section of the public about the eligible party or elected member
- expenditure on providing information to members and supporters of the eligible party or elected member
- expenditure in respect of the audit of the financial accounts of the eligible party or elected member
- expenditure on equipment and training to ensure compliance by the eligible party, elected members or endorsed candidates of the eligible party with the obligations under the *Electoral Funding Act 2018*

- expenditure on the reasonable remuneration of staff engaged in the above activities for the eligible party or elected member (being the proportion of that remuneration that relates to the time spent on those activities)
- reasonable expenditure on equipment or vehicles used for the purposes of the above activities (being the proportion of the cost of their acquisition and operation that relates to the use of the equipment or vehicles for those activities)
- expenditure on office accommodation for the above staff and equipment
- expenditure on interest payments on loans.

Administrative and operating expenditure does not include:

- electoral expenditure
- expenditure for which a member may claim a parliamentary allowance as a member
- expenditure incurred substantially in respect of operations or activities that relate to the election of members to a Parliament other than the NSW Parliament
- expenditure prescribed by the Electoral Funding Regulations 2018.

Public funding continued

Parties and elected members must meet the criteria set out in the legislation to be eligible to receive payments from the fund. This includes that a party is registered for state elections and members of Parliament are endorsed by the party. A Member of Parliament is eligible to receive payments from the fund only if the elected member was not endorsed by a party at the election in which the elected member was last elected and continues not to be endorsed by a party.

The fund operates on a calendar year basis where eligible parties and elected members are each entitled to make a claim for payment from the fund on a quarterly basis.

A claim for quarterly payment can only include actual administrative or operating expenditure incurred by or on behalf of the party or elected member in the relevant quarter. Eligible parties and elected members are not entitled to be reimbursed more than the amount of administrative and operating expenditure incurred and the amount payable is subject to a cap called a 'maximum amount payable'.

The maximum amounts payable to an eligible party are based on the number of endorsed elected members of the party. The maximum amounts payable are adjusted for inflation each calendar year. If an eligible party or elected member claims expenditure in excess of the maximum amount payable, the amount payable to the eligible party or elected member cannot exceed the maximum amount payable. Excess amounts of expenditure can be carried over to the following quarter in the calendar year.

Table 51 lists the maximum amounts payable for the 2019 and 2020 calendar years. Payments made from the fund during 2019-20 were made in relation to expenditure incurred by eligible parties and elected members in the 2019 and 2020 calendar years.

Eligible parties and elected members are entitled to claim an advance payment at the beginning of each quarter. A quarterly advance payment is equal to 50% of what the eligible party or elected member would be entitled to claim in relation to the quarter, once the quarter has ended. Quarterly advance payments are made on the first business day of each quarter.

For the purpose of making a quarterly advance payment it is presumed the eligible party or elected member will continue to be eligible for payments at the end of the quarter. After a quarter has ended an eligible party or elected member is entitled to claim a quarterly payment for that quarter. Expenditure incurred in the quarter can be included in a quarterly claim and any expenditure from a previous quarter in the calendar year that has been carried over. Claims for quarterly payment must be made within three months of the end of a quarter.

Quarterly payments must be made by the Electoral Commission within 30 days of receiving a claim for payment, declaration of expenditure and the required supporting documentation in relation to the expenditure included in the claim. An advance payment made to a party or elected member is deducted from the quarterly amount payable.

If a party or elected member receives by way of an advance payment or quarterly payment more than the amount the party or elected member is entitled to receive the excess amount must be repaid.

The Electoral Commission paid over \$15.2 million from the Administration Fund to nine eligible parties and three eligible independent elected members during the 2019-20 financial year. Copies of claims for payment lodged are published on our website.

Table 51. Administration Fund maximum amounts payable to eligible parties and elected members

Category	2019 amounts	2020 amounts
For parties		
If the party has one endorsed elected member	\$89,300	\$90,800
If the party has two endorsed elected members	\$153,000	\$155,500
If the party has three endorsed elected members	\$191,200	\$194,300
If the party has more than three endorsed elected members	\$191,200 + \$30,600 for each additional member up to 22 members	\$194,300 + \$31,100 for each additional member up to 22 members
For elected members		
	\$57,600	\$58,600

Source: Electoral Funding (Adjustable Amounts) (Administrative and New Party Policy Development Funding) Notice 2019

Table 52. Amounts paid for administrative expenditure incurred in 2019-20 financial year

Claimant	Maximum amount payable*	Payment type	Year	Status	Amount	Date of payment/repayment
Alexander Greenwich	\$57,600.00	1st quarterly payment	2019	Repaid	-\$10,000.00	6/08/2019
	\$57,600.00	1st quarterly payment	2019	Repaid	-\$6,682.01	12/08/2019
	\$57,600.00	2nd quarterly payment	2019	Paid	\$12,845.91	12/09/2019
	\$57,600.00	3rd quarterly advance	2019	Paid	\$28,800.00	1/07/2019
	\$57,600.00	3rd quarterly payment	2019	Paid	\$24,272.69	10/01/2020
	\$57,600.00	4th quarterly advance	2019	Paid	\$28,800.00	1/10/2019
	\$57,600.00	4th quarterly payment	2019	Paid	\$28,800.00	27/03/2020
	\$58,600.00	1st quarterly advance	2020	Paid	\$29,300.00	2/01/2020
	\$58,600.00	1st quarterly payment	2020	Paid	\$14,973.67	19/05/2020
\$58,600.00	2nd quarterly advance	2020	Paid	\$29,300.00	1/04/2020	
Animal Justice Party	\$89,300.00	1st quarterly payment	2019	Paid	\$41,429.19	10/07/2019
	\$153,000.00	2nd quarterly payment	2019	Paid	\$72,686.07	1/10/2019
	\$153,000.00	3rd quarterly advance	2019	Paid	\$76,500.00	1/07/2019
	\$153,000.00	3rd quarterly payment	2019	Paid	\$68,249.55	9/01/2020
	\$153,000.00	4th quarterly advance	2019	Paid	\$76,500.00	1/10/2019
	\$153,000.00	4th quarterly payment	2019	Paid	\$75,099.37	7/04/2020
	\$155,500.00	1st quarterly advance	2020	Paid	\$77,750.00	2/01/2020
	\$155,500.00	2nd quarterly advance	2020	Paid	\$77,750.00	1/04/2020
Australian Labor Party (NSW Branch)	\$864,400.00	1st quarterly payment	2019	Paid	\$388,483.65	19/09/2019
	\$864,400.00	2nd quarterly payment	2019	Paid	\$432,200.00	25/11/2019
	\$864,400.00	3rd quarterly advance	2019	Paid	\$432,200.00	1/07/2019
	\$864,400.00	3rd quarterly payment	2019	Paid	\$432,200.00	9/01/2020
	\$864,400.00	4th quarterly advance	2019	Paid	\$432,200.00	1/10/2019
	\$864,400.00	4th quarterly payment	2019	Paid	\$432,200.00	11/03/2020
	\$878,500.00	1st quarterly advance	2020	Paid	\$439,250.00	2/01/2020
	\$878,500.00	1st quarterly payment	2020	Paid	\$439,250.00	28/5/2020
	\$878,500.00	2nd quarterly advance	2020	Paid	\$439,250.00	1/04/2020
Christian Democratic Party (Fred Nile Group)	\$150,000.00	3rd quarterly payment	2018	Paid	\$75,000.00	15/07/2019
	\$150,000.00	4th quarterly payment	2018	Paid	\$71,268.93	15/07/2019
	\$153,000.00	1st quarterly payment	2019	Paid	\$77,718.09	15/07/2019

Public funding continued

Claimant	Maximum amount payable*	Payment type	Year	Status	Amount	Date of payment/repayment
Christian Democratic Party (Fred Nile Group) continued	\$89,300.00	2nd quarterly payment	2019	Paid	\$89,300.00	12/09/2019
	\$89,300.00	3rd quarterly advance	2019	Paid	\$44,650.00	1/07/2019
	\$89,300.00	3rd quarterly payment	2019	Paid	\$44,650.00	12/12/2019
	\$89,300.00	4th quarterly advance	2019	Paid	\$44,650.00	1/10/2019
	\$89,300.00	4th quarterly payment	2019	Paid	\$44,650.00	20/02/2020
	\$90,800.00	1st quarterly advance	2020	Paid	\$45,400.00	2/01/2020
	\$90,800.00	1st quarterly payment	2020	Paid	\$27,289.03	7/05/2020
	\$90,800.00	2nd quarterly advance	2020	Paid	\$45,400.00	1/04/2020
Country Labor Party	\$221,800.00	1st quarterly payment	2019	Paid	\$78,300.95	30/08/2019
	\$283,000.00	2nd quarterly payment	2019	Paid	\$170,851.62	28/11/2019
	\$283,000.00	3rd quarterly advance	2019	Paid	\$141,500.00	1/07/2019
	\$283,000.00	3rd quarterly payment	2019	Paid	\$141,500.00	9/01/2020
	\$283,000.00	4th quarterly advance	2019	Paid	\$141,500.00	1/10/2019
	\$283,000.00	4th quarterly payment	2019	Paid	\$141,500.00	5/03/2020
	\$287,600.00	1st quarterly advance	2020	Paid	\$143,800.00	2/01/2020
	\$287,600.00	1st quarterly payment	2020	Paid	\$143,800.00	28/5/2020
	\$287,600.00	2nd quarterly advance	2020	Paid	\$143,800.00	1/04/2020
Gregory Piper	\$56,450.00	4th quarterly payment	2018	Paid	\$5,346.00	30/08/2019
	\$57,600.00	1st quarterly payment	2019	Repaid	-\$2,926.73	19/09/2019
	\$57,600.00	2nd quarterly payment	2019	Repaid	-\$31.41	19/09/2019
	\$57,600.00	2nd quarterly payment	2019	Paid	\$1,650.00	25/11/2019
	\$57,600.00	3rd quarterly advance	2019	Paid	\$28,800.00	1/07/2019
	\$57,600.00	3rd quarterly payment	2019	Paid	\$28,800.00	30/10/2019
	\$57,600.00	4th quarterly advance	2019	Paid	\$28,800.00	1/10/2019
	\$57,600.00	4th quarterly payment	2019	Paid	\$23,926.31	23/01/2020
	\$57,600.00	4th quarterly payment	2019	Paid	\$908.60**	27/03/2020
	\$57,600.00	4th quarterly payment	2019	Paid	\$1,023.00**	9/06/2020
	\$58,600.00	1st quarterly advance	2020	Paid	\$29,300.00	2/01/2020
	\$58,600.00	1st quarterly payment	2020	Paid	\$6,713.83	19/05/2020
	\$58,600.00	2nd quarterly advance	2020	Paid	\$29,300.00	1/04/2020

Claimant	Maximum amount payable*	Payment type	Year	Status	Amount	Date of payment/repayment
Joseph McGirr	\$57,600.00	1st quarterly payment	2019	Repaid	-\$11,389.63	18/07/2019
	\$57,600.00	2nd quarterly payment	2019	Repaid	-\$23,016.84	21/10/2019
	\$57,600.00	3rd quarterly advance	2019	Paid	\$28,800.00	1/07/2019
	\$57,600.00	3rd quarterly payment	2019	Repaid	-\$19,169.00	17/01/2020
	\$57,600.00	4th quarterly advance	2019	Paid	\$28,800.00	1/10/2019
	\$57,600.00	4th quarterly payment	2019	Repaid	-\$9,289.44	1/04/2020
	\$58,600.00	1st quarterly advance	2020	Paid	\$29,300.00	2/01/2020
	\$58,600.00	2nd quarterly advance	2020	Paid	\$29,300.00	1/04/2020
National Party of Australia – NSW	\$803,200.00	1st quarterly payment	2019	Paid	\$401,600.00	15/07/2019
	\$680,800.00	2nd quarterly payment	2019	Paid	\$279,200.00	7/11/2019
	\$680,800.00	3rd quarterly advance	2019	Paid	\$340,400.00	1/07/2019
	\$680,800.00	3rd quarterly payment	2019	Paid	\$340,400.00	23/01/2020
	\$680,800.00	4th quarterly advance	2019	Paid	\$340,400.00	1/10/2019
	\$680,800.00	4th quarterly payment	2019	Paid	\$340,400.00	9/04/2020
	\$691,900.00	1st quarterly advance	2020	Paid	\$345,950.00	2/01/2020
	\$691,900.00	2nd quarterly advance	2020	Paid	\$345,950.00	1/04/2020
Pauline Hanson's One Nation	\$153,000.00	2nd quarterly payment	2019	Paid	\$8,299.65	16/12/2019
	\$153,000.00	3rd quarterly advance	2019	Paid	\$76,500.00	1/07/2019
	\$153,000.00	3rd quarterly payment	2019	Repaid	-\$70,622.96	1/04/2020
	\$153,000.00	4th quarterly payment	2019	Paid	\$29,301.57	12/03/2020
	\$155,500.00	1st quarterly advance	2020	Paid	\$77,750.00	2/01/2020
	\$155,500.00	2nd quarterly advance	2020	Paid	\$77,750.00	1/04/2020
Shooters, Fishers and Farmers Party (NSW) Incorporated	\$252,400.00	2nd quarterly payment	2019	Paid	\$156,800.00	8/08/2019
	\$252,400.00	3rd quarterly advance	2019	Paid	\$126,200.00	1/07/2019
	\$252,400.00	3rd quarterly payment	2019	Paid	\$126,200.00	14/11/2019
	\$252,400.00	4th quarterly advance	2019	Paid	\$126,200.00	1/10/2019
	\$252,400.00	4th quarterly payment	2019	Paid	\$126,200.00	13/02/2020
	\$256,500.00	1st quarterly advance	2020	Paid	\$128,250.00	2/01/2020
	\$256,500.00	1st quarterly payment	2020	Paid	\$128,250.00	14/05/2020
	\$256,500.00	2nd quarterly advance	2020	Paid	\$128,250.00	1/04/2020

Public funding continued

Claimant	Maximum amount payable*	Payment type	Year	Status	Amount	Date of payment/repayment
The Greens NSW	\$337,500.00	3rd quarterly payment	2018	Repaid	-\$1,251.78	11/12/2019
	\$307,500.00	4th quarterly payment	2018	Repaid	-\$16,020.33	11/12/2019
	\$313,600.00	1st quarterly payment	2019	Paid	\$132,740.38	25/07/2019
	\$283,000.00	2nd quarterly payment	2019	Paid	\$126,200.00	30/10/2019
	\$283,000.00	3rd quarterly advance	2019	Paid	\$141,500.00	1/07/2019
	\$283,000.00	3rd quarterly payment	2019	Paid	\$141,500.00	17/12/2019
	\$283,000.00	4th quarterly advance	2019	Paid	\$141,500.00	1/10/2019
	\$283,000.00	4th quarterly payment	2019	Paid	\$141,500.00	7/04/2020
	\$287,600.00	1st quarterly advance	2020	Paid	\$143,800.00	2/01/2020
	\$287,600.00	2nd quarterly advance	2020	Paid	\$143,800.00	1/04/2020
The Liberal Party of Australia, NSW Division	\$864,400.00	2nd quarterly payment	2019	Paid	\$432,200.00	10/10/2019
	\$864,400.00	3rd quarterly advance	2019	Paid	\$432,200.00	1/07/2019
	\$864,400.00	3rd quarterly payment	2019	Paid	\$432,200.00	28/11/2019
	\$864,400.00	4th quarterly advance	2019	Paid	\$432,200.00	1/10/2019
	\$864,400.00	4th quarterly payment	2019	Paid	\$432,200.00	19/03/2020
	\$878,500.00	1st quarterly advance	2020	Paid	\$439,250.00	2/01/2020
	\$878,500.00	1st quarterly payment	2020	Paid	\$439,250.00	18/06/2020
	\$878,500.00	2nd quarterly advance	2020	Paid	\$439,250.00	1/04/2020
Total					\$15,258,727.93	

* Maximum amount payable for a quarter may be different when the entitlement for payment is determined.

** Supplementary payment following amended claim.

New Parties Fund

The purpose of the New Parties Fund is to reimburse eligible political parties for policy development expenditure incurred. Policy development expenditure includes:

- expenditure on providing information to the public or a section of the public about the eligible party
- expenditure for conferences, seminars, meetings or similar functions at which the policies of the eligible party are discussed or formulated
- expenditure on providing information to members and supporters of the eligible party
- expenditure in respect of the audit of the financial accounts of the eligible party
- expenditure on the reasonable remuneration of staff engaged in the above activities for the eligible party (being the proportion of that remuneration that relates to the time spent on those activities)
- reasonable expenditure on equipment or vehicles used for the purposes of the above activities (being the proportion of the cost of their acquisition and operation that relates to the use of the equipment or vehicles for those activities)
- expenditure on office accommodation for the above staff and equipment
- expenditure on interest payments on loans.

Policy development expenditure does not include:

- electoral expenditure incurred outside the capped expenditure period for a state election
- expenditure incurred substantially in respect of operations or activities that relate to the election of members to a Parliament other than the NSW Parliament
- expenditure prescribed by the Electoral Funding Regulations 2018.

Parties must meet the criteria set out in the legislation to be eligible to receive payments from the fund. This includes that a party is registered for state elections, the Electoral Commission is satisfied the party operates as a genuine party and the party is not eligible to receive payments from the Administration Fund.

The fund operates on a calendar-year basis where eligible parties are each entitled to make a claim for payment from the fund in the six months following the end of the calendar year.

A claim for payment can only include actual policy development expenditure incurred by a party in the relevant calendar year. Eligible parties are not entitled to be reimbursed more than the amount of policy development expenditure incurred and the amount payable is subject to a cap called a 'maximum amount payable'.

The maximum amounts payable to an eligible party are based on the number of first preference votes received by the party's endorsed candidates at the previous NSW State general election. The maximum amounts payable are adjusted for inflation each calendar year. If an eligible party claims expenditure in excess of the maximum amount payable, the amount payable to the eligible party cannot exceed the maximum amount payable.

Table 53 lists the maximum amounts payable for the 2019 and 2020 calendar year. Payments made from the fund during 2019-20 were made in relation to expenditure incurred by eligible parties in the 2019 calendar year.

After a calendar year has ended an eligible party is entitled to claim a payment for that year. Expenditure incurred by or on behalf of the party in the calendar can be included in a claim. Claims for payment must be made within six months of the end of a calendar year. Payments must be made by the Electoral Commission within 30 days of receiving a claim for payment, declaration of expenditure and the required supporting documentation in relation to the expenditure included in the claim.

Table 53. New Parties Fund maximum amounts payable to eligible parties

Calendar year	Maximum amount payable	Minimum amount payable for parties that have been registered for up to 8 years
2019	65 cents for each first preference vote received by candidates endorsed by the party at the previous state general election	\$12,600
2020	67 cents for each first preference vote received by candidates endorsed by the party at the previous state general election	\$12,800

Source: Electoral Funding (Adjustable Amounts) (Administrative and New Party Policy Development Funding) Notice 2019

Public funding continued

The Electoral Commission paid \$40,542.45 from the New Parties Fund to two eligible parties during the 2019-20 financial year. The payments were made in relation to expenditure incurred by parties in the 2019 calendar year. Copies of claims for payment lodged are published on our website. One eligible party, *Sustainable Australia (NSW)*, did not lodge a claim for payment for 2019.

Table 54. Amounts paid during 2019-20 for expenditure incurred in 2019

Name of party	Maximum amount payable	Amount paid	Date of payment
Socialist Alliance	\$10,011.30	\$10,011.30	27 Feb 2020
Sustainable Australia (NSW)	\$87,706.45		
Voluntary Euthanasia Party (NSW)	\$30,531.15	\$30,531.15	27 Feb 2020
Total	\$128,248.90	\$40,542.45	

Public funding payments not made

If, at the time a payment is due to be made, a party, elected member or candidate has any outstanding disclosures of political donations or electoral expenditure, or, in the case of a party, the party has not provided us with copies of its audited annual financial statements, they are ineligible to receive public funding payments.

During 2019-20, the Electoral Commission did not pay a quarterly advance payment from the Administration Fund to a party as the party had an outstanding disclosure at the time the payment was due to be made.

Repayments of public funding

The Electoral Commission is authorised under the *Electoral Funding Act 2018* to recover any excess public funding amounts paid from the Administration Fund or New Parties Fund to a party or elected member. This generally occurs where the amount of expenditure actually incurred by an elected member or a party in a period is less than the amount of the advance payment made to them.

There were 11 repayments of quarterly advance payments during 2019-20. Eight repayments were in relation to payments made during 2018-19 and three were in relation to payments made during 2019-20.

Table 55. Repayments of public funding

Fund	Name	Amount repaid	Date repaid
Administration Fund	Alexander Greenwich	\$10,000.00	6 Aug 2019
Administration Fund	Alexander Greenwich	\$6,682.01	12 Aug 2019
Administration Fund	Gregory Piper	\$2,926.73	19 Sep 2019
Administration Fund	Gregory Piper	\$31.41	19 Sep 2019
Administration Fund	Joseph McGirr	\$11,389.63	18 Jul 2019
Administration Fund	Joseph McGirr	\$23,016.84	21 Oct 2019
Administration Fund	Joseph McGirr	\$19,169.00	17 Jan 2020
Administration Fund	Joseph McGirr	\$9,289.44	1 Apr 2020
Administration Fund	Pauline Hanson's One Nation	\$70,622.96	1 Apr 2020
Administration Fund	The Greens NSW	\$1,251.78	11 Dec 2019
Administration Fund	The Greens NSW	\$16,020.33	11 Dec 2019
Total		\$170,400.13	

Compliance and enforcement

The three-member NSW Electoral Commission is responsible for the monitoring and enforcement of compliance with New South Wales election, campaign finance and lobbyist laws.

The Electoral Commission is required under the *Electoral Funding Act 2018* to report statistical information about the use of its enforcement powers under the Act. These include issuing statutory notices to require the provision of documents or information or require a person to attend an interview and inspections undertaken. The “Compliance and enforcement”, “Investigations” and “Litigation” sections of this annual report also comprises the report to the NSW Parliament required under section 154 of the *Electoral Funding Act*.

During 2019-20, we continued to regulate and enforce the *Electoral Act 2017* and the *Electoral Funding Act 2018* and, the now repealed, *Parliamentary Electorates and Elections Act 1912* and the *Election Funding, Expenditure and Disclosures Act 1981*, for matters that occurred before 1 July 2018.

Additionally, the NSW Electoral Commission regulated and enforced matters under the:

- *Local Government Act 1993* (electoral provisions only)
- *Lobbying of Government Officials Act 2011*.

In relation to the above legislation, we seek to detect, review and investigate potential non-compliance, initiating enforcement actions as appropriate and operate in accordance with key policies and procedures including our:

- Compliance Audit Policy
- Compliance and Enforcement Policy
- Compliance and Enforcement Procedures
- Prosecution Policy.

Limits on authority to disclose compliance and enforcement information

The three-member NSW Electoral Commission is not authorised under its statutory framework to publish or otherwise disclose information about the existence or outcomes of specific investigations and enforcement actions taken, unless expressly authorised by legislation, or with the agreement of the individuals concerned or where there has been a public enforcement action (for example, court proceedings).

During 2019-20, the Chair of the NSW Electoral Commission issued two statements in relation to its enforcement of the legislation for which the Electoral Commission is responsible:

- the accuracy of information on the Register of Third-Party Lobbyists, warning lobbyists to avoid breaches (29 July 2019)
- the forfeiture of \$100,000 by Labor on the basis that political donation(s) received in 2015 were unlawful (19 September 2019).

These statements can be found on our website, at elections.nsw.gov.au/about-us/media-centre

Under the *Lobbying of Government Officials Act 2011*, we are required to publish on our website decisions made in relation to the registration of third-party lobbyist’s including decisions to refuse to register a third-party lobbyist, suspend or cancel the registration of a third-party lobbyist, place a third-party lobbyist or other lobbyist on the Lobbyist Watch List and determine that a third-party lobbyist is ineligible to be registered.

Structure and functions

Our Compliance unit is structured around our core audit and investigation capabilities with the work, processes and procedures supported by ongoing compliance and intelligence functions. The unit is made up of an Audit team and an Investigations team and also has an intelligence function.

We conduct compliance audits of political parties, associated entities, elected members, candidates and groups to determine compliance by those political participants with the requirements for political donations and electoral expenditure under the applicable legislation. We also conduct compliance reviews of disclosures lodged by third-party campaigners and major political donors.

We also conduct audits of public funding claims made by parties, elected members and candidates.

Using a risk-based approach, the audit team determines the validity and completeness of disclosures of political donations and electoral expenditure and verifies supporting documentation such as financial records, invoices and receipts relating to the disclosures that are lodged.

Compliance and enforcement continued

Table 56 shows a summary of the compliance audits on disclosures lodged that were commenced or finalised during 2019-20.

Table 56. Compliance audits commenced and finalised on disclosures lodged 2018-19

Political Participant	Audits finalised for the 2017-18 disclosure period	Audits finalised for the 2018-19 disclosure period	Audits commenced for the 2018-19 disclosure periods	Audits to be started for the 2018-19 disclosure periods
Political parties	55	2	98	231
Associated entities	-	-	2	10
Elected members	587	12	1,240	3,026
Groups of candidates	355	-	11	28
Candidates	1,290	72	757	1,484
Third-party campaigners	14	-	31	151
Major political donors	492	679	132	555
Total	2,793	765	2,271	5,485

The Investigations team reviews compliance issues identified by the Audit team and may take actions such as issuing warnings, cautions or penalty notices for matters such as failing to lodge a disclosure or failures to operate a campaign account in accordance with the law. The team also reviews the Third-Party Lobbyist Register and may issue warnings or recommend suspensions or cancellations of third-party lobbyist registrations where there are failures to comply with the *Lobbying of Government Officials Act 2011* or Lobbyists Code of Conduct.

The Investigations team receives more complex referrals from the Audit team where financial or factual anomalies or more serious non-compliance concerns are identified. The Investigations team may also receive referrals or allegations directly from stakeholders outside the Electoral Commission, including members of the general public, the media, political stakeholders or other government agencies. The team works closely with our Legal team if prosecutions are considered appropriate or refer matters to other integrity agencies.

Our intelligence function supports the Audit and Investigations teams by conducting focused reviews, research, analysis and feedback.

All matters reviewed, examined or referred to the Audit and Investigation teams are dealt with in accordance with the frameworks set out and established in our compliance and enforcement policies.

Information management and case recording

The Audit team utilises the Funding and Disclosure Management System (FADMS), a data-management and workflow platform that enhances collaboration and the ability of the team to receive and manage the substantial number of disclosures reviewed and processed. The team also manages the workflow for processing public funding claims. The Investigations Matter Management System (IMMS) is used to manage our compliance reviews and investigations. IMMS ensures that cases can be easily tracked with workflows of actions, activities and milestones.

Our team of investigators can securely share and transmit case-related information within their team and produce statistical reports and access auditing functions. Both FADMS and IMMS store our audit, high volume compliance, investigation and intelligence data securely in our records management system.

Audit and compliance activities

Focused reviews following compliance audits of disclosures

During 2019-20, the audit team identified 319 matters arising from its compliance audits where further review was warranted. These mostly related to suspected failures to:

- maintain a campaign account
- pay expenditure from the campaign account
- disclose reportable political donations or ensure donors are on the electoral roll
- provide required vouching⁶
- disclose electoral expenditure
- identify donations in excess of the caps
- provide receipts for donations, which include statements regarding donors' obligation to disclose.

In relation to the above matters, warnings were issued as shown in Table 57. A warning is issued to the person who was responsible for complying with the disclosure requirements. Under the *Election Funding, Expenditure and Disclosures Act 1981* the persons responsible were generally the party agents of political parties and official agents of elected members, candidates, groups and third-party campaigners. Under the *Electoral Funding Act 2018* elected members, candidates and groups do not have official agents and are generally responsible for complying with the disclosure requirements.

Table 57. Warnings issued as a result of compliance audit referrals to the investigations team

Stakeholder	Warnings issued
Official agent for candidate	40
Official agent group of candidates	83
Party agent	1
Official agent of elected member	1
Official agent of third-party campaigner	1
Major political donor	-

Failure to lodge disclosures

It is an offence to fail to lodge a disclosure by the due date. We may issue penalties or prosecute a person who commits an offence in relation to a disclosure. Our Investigations team manages, in accordance with an approved protocol, a measured process to encourage timely lodgement and penalise non-compliant behaviour. As an initial step, a 'first-level warning' is issued to a person or entity who failed to lodge a disclosure, after the due date has passed, giving them an opportunity to submit a disclosure form.

Final enforcement decisions take into account responses to the 'first-level warning' and consider any aggravating or mitigating circumstance around the alleged breach.

During 2019-20, the Investigations team worked on examining those who lodged late, or had failed to lodge a declaration of disclosures. The following disclosure periods were examined:

- half-yearly political donation disclosures for the period 1 January 2019 to 30 June 2019, due on 29 July 2019
- annual expenditure disclosures for the period 1 July 2018 to 30 June 2019, due on 23 September 2019
- half-yearly political donation disclosures for the period 1 July 2019 to 31 December 2019, due on 28 January 2020
- annual disclosures of reportable political donations by a major political donor for the period 1 July 2018 to 30 June 2019, due on 29 July 2019
- pre-election period disclosures for the period 1 October 2018 to 23 March 2019, due within 21 days of a political donation of \$1,000 or more being made or received.

⁶ Vouching is the supporting documents for political donations and electoral expenditure and include copies of invoices and receipts, copies of advertising and electoral material and copies of receipts issued to donors who made a reportable political donation.

Compliance and enforcement continued

Table 58 shows the number of 'first-level warnings' issued through to enforcement actions taken in response to disclosures not lodged or not lodged by the due date. In these cases the enforcement action is against the person responsible for lodging the disclosure.

Table 58. Enforcement actions in response to late disclosures or a failure to lodge

Enforcement action	Second-half 2019 disclosures	Annual expenditure disclosures 2019	First-half 2020	Pre-election disclosures
Warning	563	326	242	22
Caution	180	85	82	18
Penalty Notice	21	4	-	3
Prosecutions	-	-	-	-

At the time of considering enforcement options for instances where there were failures to lodge disclosures of political donations for first-half 2020, the COVID-19 pandemic was having a significant impact on New South Wales residents, including people responsible for lodging disclosures, and its court, transport and postal systems. In response to these impacts, the Electoral Commission exercised its discretion in some matters to issue cautions where it may have otherwise considered taking different enforcement action, such as issuing penalty notices or prosecuting.

Major political donors

A similar process of engagement to raise compliance and lodgement rates is undertaken in relation to major political donors (that is, persons who, or entities that, make reportable political donations).

During 2019-20, the following warnings, cautions and penalty notices were issued to major political donors in relation to disclosure obligations for the 2018-19 annual disclosure period.

Table 59. Enforcement actions against major political donors in response to late disclosures or failures to lodge in 2018-19

Enforcement action	2018-19 disclosure period
Warning	749
Caution	290
Penalty Notice	3
Prosecution	-

Investigations

Reviews and investigations

During 2019-20, our Investigations team considered 207 matters of non-compliance and potential breaches under the legislation for which we have authority to enforce.

All matters are dealt with in accordance with the Electoral Commission's *Compliance and Enforcement Policy*. The team consists of investigators who are appointed by the Electoral Commission to exercise the Electoral Commission's enforcement and investigation functions.

Election Funding, Expenditure and Disclosures Act 1981 and Electoral Funding Act 2018

During 2019-20, 50 matters were reviewed relating to potential breaches under the *Election Funding, Expenditure and Disclosures Act 1981*⁷ and *Electoral Funding Act 2018*. The breaches related to the acceptance of unlawful political donations and third-party campaigners at the 2019 NSW State election who incurred electoral expenditure without being registered.

In addition, we provided guidance to three entities as to whether they may be a third-party campaigner for the 2019 NSW State election.

During 2019-20 we made one determination that a corporation was not a prohibited donor. A register of determinations is published on the Electoral Commission's website.

Table 60. Outcomes of reviews conducted into breaches of the *Election Funding, Expenditure and Disclosures Act 1981*

Activity	Total	No further action	Caution	Warning	Recovery of unlawful donation	Prosecution	Ongoing
Review/Investigation	50	10	0	4	4	3	29

The *Election Funding, Expenditure and Disclosures Act 1981* was repealed by the *Electoral Funding Act 2018* on 1 July 2018. The *Electoral Funding Act 2018* gives authority to the NSW Electoral Commission to continue to enforce breaches of the *Election Funding, Expenditure and Disclosures Act 1981* that occurred prior to 1 July 2018.

Table 61. Outcomes of reviews conducted into breaches of the *Electoral Funding Act 2018*

Activity	Total	No further action	Caution	Warning	Recovery of unlawful donation	Prosecution	Ongoing
Review/Investigation	16	4	4	1	-	-	7

Table 62. Outcome of reviews conducted into breaches of the *Electoral Act 2017*

Activity	Total	No further action	Caution	Warning	Prosecution	Ongoing
Review/Investigation	32	1	-	-	-	31

⁷ The *Parliamentary Electorates and Elections Act 1912* was repealed by the *Electoral Act 2017* on 1 July 2018. The *Electoral Act 2017* gives authority to the NSW Electoral Commission to continue to enforce breaches of the *Parliamentary Electorates and Elections Act 1912* that occurred prior to 1 July 2018.

Investigations continued

Local Government Act 1993

During 2019-20 there were no new matters reviewed relating to potential breaches of the electoral provisions of the *Local Government Act 1993*.

Lobbying of Government Officials Act 2011

Where breaches of the *Lobbying of Government Officials Act 2011* occur the registration of a third-party lobbyist may be suspended or cancelled or the third-party lobbyist can be placed on Watch List.

Reviews are conducted following 31 January, 31 May and 30 September to identify where a registered third-party lobbyist has not complied with the requirement to confirm the lobbyist's registered details are up-to-date.

Reviews are also undertaken where a registered third-party lobbyist has not appointed a responsible officer or where the responsible officer of a registered third-party lobbyist has not complied with the requirement to undertake the annual online training provided by the Electoral Commission.

During 2019-20 the registrations of a number of third-party lobbyists were suspended or cancelled and a number of registered third-party lobbyists received a warning for a breach of the Act or the Lobbyists Code of Conduct. There were no third-party lobbyists placed on the Watch List.

Table 63 shows the number of warnings issued and third-party lobbyist registrations that were suspended or cancelled during 2019-20 due to breaches of the Act or Lobbyists Code of Conduct. The registrations of six third-party lobbyists were suspended and the registrations of seven third-party lobbyists were cancelled. In some cases the registration of a third-party lobbyist was suspended or cancelled because of more than one breach of the legislation.

Details of the decisions made by the Electoral Commission in relation to the suspension or cancellation of registrations of third-party lobbyists and the reasons for those decisions are published on our website.

Table 63. Suspensions and cancellations of third-party lobbyist registrations for breaches of the Act or the Lobbyists Code of Conduct 2019-20

Reason	Warnings issued	Suspension of registration	Cancellation of registration
Failure to appoint a 'responsible officer'	0	0	2
Failure to ensure responsible officer completes the annual training	10	1	2
Failure to update the register within 10 days of a change in registered details	0	0	0
Failure to confirm registered details are up-to-date for a triannual period	105	5	7

During 2019-20 one matter was reviewed in regard to another potential breach of the *Lobbying of Government Officials Act 2011*.

Use of enforcement powers

The *Electoral Funding Act 2018* gives the Electoral Commission, and any person appointed by the Electoral Commission as an inspector, to issue notices that require the provision of information, documents or attendance to answer questions.

These powers enable us to conduct investigations and are exercised by members of staff in the investigations team who are appointed as inspectors.

Our enforcement powers can also be used to investigate potential breaches of the *Electoral Act 2017*, the *Lobbying of Government Officials Act 2011*, electoral provisions of the *Local Government Act 1993* as well as matters under the now repealed *Parliamentary Electorates and Elections Act 1912* and *Election Funding, Expenditure and Disclosures Act 1981*.

The *Electoral Funding Act 2018* also provides that an inspector appointed by the Electoral Commission may enter a premises to inspect documents for the purposes of ascertaining whether the Act is being, or has been, contravened. During 2019-20 no inspections were undertaken.

Table 64 shows the number of notices issued under section 138 of the *Electoral Funding Act 2018*.

Table 64. Notices issued

Notice type	Purpose	Number
s.138(a) Electoral Funding Act	Require information	47
s.138(b) Electoral Funding Act	Require the provision of documents	46
s.138(c) Electoral Funding Act	Answer questions	-
s.138(d) Electoral Funding Act	Attend an interview	4
Total		97

Recovery of unlawful donations and electoral expenditure

The Electoral Commission is authorised under the *Electoral Funding Act 2018* to recover the value of unlawful political donations and electoral expenditure incurred in excess of an expenditure cap and pay these amounts to the State.

During 2019-20 there were seven compliance matters that resulted in the recovery of unlawful donations to the value of \$120,590. These donations were unlawful due to the donor not being on the electoral roll or donor being a prohibited donor. The donations were recovered voluntarily by those who accepted the unlawful donations.

There were no compliance cases where electoral expenditure in excess of an expenditure cap was recovered.

Table 65. Recovery of unlawful political donations

Voluntary recoveries	Number	Total
Parties	5	\$113,290
Groups of candidates	2	\$7,300
Total	7	\$120,590

Compliance agreements

During 2019-20 we did not enter into any compliance agreements. The NSW Electoral Commission monitors, as required, compliance with past agreements.

Penalty notices issued in accordance with the *Fines Act 1986* and internal review of decisions

During the year, 48 penalty notices were issued by authorised officers of the Electoral Commission for breaches of the *Electoral Funding Act 2018*.

Table 66 includes 16 penalty notices issued in during 2019-20 for failure to lodge half-yearly donation disclosures for the period 1 July 2018 to 31 December 2019, due on 28 January 2019 (first-half 2019).

Table 66. Penalty notices issued for apparent breaches of the *Electoral Funding Act 1981*

Breach	Penalty	Number of Penalty Notices issued
Failure to lodge a disclosure by a party agent – section 141(1)	\$2,750	2
Failure to lodge a disclosure by someone other than a party agent – section 141(1)	\$1,100	45
Make payment of electoral expenditure before registration by someone other than a party agent – section 145(1)	\$1,100	1

In accordance with the *Fines Act 1986* a person can apply for a review of the decision to issue a penalty notice. Reviews of penalty notice decisions made under the *Electoral Funding Act 2018* are conducted by authorised officers of the Electoral Commission. We received 26 applications to conduct an internal review of our decision to issue a penalty notice. In 17 instances the outcome of the review was for penalty to stand, eight penalty notices were withdrawn and cautions were issued and one penalty notice was withdrawn with no further action taken.

Litigation

Failure to vote proceedings

The Electoral Commission prosecuted two electors during 2019-20 for failure to vote at the 2019 State general election. One elector entered a plea of guilty and the matter has been finalised. As at 30 June 2020, the second matter was listed for hearing.

As at 30 June 2020, there was a number of further potential prosecutions relating to failure to vote at the 2019 State general election which remained under consideration.

During 2019-20 the Electoral Commission responded to an appeal filed in 2018-19 by an elector who was convicted in the Local Court for failure to vote at the 2016 Local Government elections. The appeal was heard in December 2019, with the District Court confirming the conviction and orders made by the Local Court.

It was reported in 2018-19 that the Electoral Commission appealed to the Supreme Court of NSW in relation to two Local Court decisions in fail to vote matters. The Supreme Court of NSW dismissed the appeals in October 2019, finding that an elector's ignorance of an election may be a "sufficient reason" for failing to vote at a local government election in certain circumstances. The decisions are available on the NSW Case Law website:

- *Kwok v Mothersole* [2019] NSWSC 1415
<https://www.caselaw.nsw.gov.au/decision/5da7f90be4b0c3247d71270f>
- *Kwok v Maresch* [2019] NSWSC 1151
<https://www.caselaw.nsw.gov.au/decision/5d6e0d4ee4b0c3247d7118d7>

We have recommended to the Government that consideration be given to amending the *Local Government Act 1993* to clarify, as is the case under the *Electoral Act 2017*, that it is not a sufficient reason for the failure of an elector to vote at an election that they did not know that an election was being held.

Failure to lodge and other proceedings under EFED Act

In 2019-20, the Electoral Commission commenced two prosecutions for the offence of failure to lodge a declaration under the former *Election Funding, Expenditure and Disclosures Act 1981* (EFED Act) which was repealed by the *Electoral Funding Act 2018* on 1 July 2018. One prosecution involves an elected member at the 2016 Singleton Shire Council elections who failed to lodge a declaration for the disclosure period of 2017-18 and is ongoing. The other matter relates to a candidate for the 2017 Murray River Council elections who also failed to lodge a declaration for the aforementioned disclosure period. The candidate entered a guilty plea and the matter has been listed for sentencing.

A prosecution commenced in 2018-19 involving the registered officer of a party was finalised in August 2019. The registered officer, as the deemed party agent, was charged with failing to lodge a declaration for the disclosure period of 2013-14. He was found guilty of one count of failure to lodge and was fined \$3,000.

Proceedings commenced in 2018-19 in relation to false statements in claims lodged with the Electoral Commission for payments under the former *Election Funding, Expenditure and Disclosures Act 1981* were also concluded in August 2019. The Electoral Commission withdrew the charges against one defendant and the remaining two defendants were found not guilty.

Tribunal and other civil proceedings

The Electoral Commissioner was named a respondent to an application made to the Occupational Division of the NSW Civil and Administrative Tribunal (NCAT) in June 2020, seeking review of the Electoral Commissioner's decision to cancel the registration of a party in accordance with s.68 of the *Electoral Act 2017*. The application was dismissed by NCAT, noting that the Supreme Court of New South Wales may have jurisdiction to review such decisions.

A civil litigation matter commenced in 2017-18 in which the Electoral Commissioner was named as a respondent was finalised in May 2020. The matter related to injuries occurring at a voting centre.

Table 67. Prosecutions commenced 2018-19 and 2019-20

Act	Matter	Number of matters in 2018-19	Number of matters in 2019-20
EFED Act	Failure to lodge a declaration of disclosure of political donations and electoral expenditure	3	2
EFED Act	False statements in a claim lodged with the Electoral Commission for a payment.	3	0
EFED Act	Response to application relating to reviewing a decision made by a Local Court	1	0
LG(G)R	Misconduct in relation to postal voting	1	0
PE&E Act	Failure to vote	4	0
LG Act	Failure to vote	79	0
LG Act	Response to appeal application relating to failure to vote	3	0
LG Act	Appeal application relating to failure to vote	2	0
Electoral Act	Failure to vote	0	2



Legislative Assembly foyer - image supplied by Parliament of New South Wales.

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Financial position

Payment of accounts

Table 68. Payment of accounts for the 2019-20 financial year

Quarter	Current (\$)	Less than 30 days (\$)	Between 30 and 60 days (\$)	Between 60 and 90 days (\$)	More than 90 days (\$)	Target	Actual	Total (\$)
September	9,243,518	60	849	62	3,710	100%	99.95%	9,248,199
December	13,236,599	1,189,558	1,425	335	1,707	100%	91.73%	14,429,624
March	8,862,741	11,162	500	5,027	-	100%	99.81%	8,879,430
June	12,175,815	12,749	10,474	-	-	100%	99.81%	12,199,038
Total	43,518,672	1,213,529	13,249	5,424	5,417	100%	97.23%	44,756,291

Time for payment of accounts

Our performance in payments continues to be high, with an average of 97.23 per cent of all accounts paid on time. There were no instances where interest was paid due to late payment.

Consultants

Engagements costing equal or greater than \$50,000

During the year, we engaged two consultants of value equal or greater than \$50,000:

- Consultant:** .id consulting pty ltd
Project: Demographic Services
Cost: \$214,000
- Consultant:** PWC Consulting Services
Project: WIGM
Cost: \$75,000

Engagements costing less than \$50,000

During the year we engaged four consultants at a cost of \$80,861. All consultancy fees were categorised as management services.

After balance date events

The NSW Electoral Commission did not have any significant post balance date events (details are in the financial statements that follow).

Major works

Table 69. Major works (projects over \$250,000)

Item description	Estimated costs (\$m)	Costs to 30 June 2020 (\$m)	Estimated completion date
Funding, disclosure and compliance online system	9.80	2.9	2021
Online nominations management system	2.1	2.1	2021
Local government regulation changes	5.7	2.4	2021
GovDC reform	1.4	0.7	2021

Note: no significant over-runs or delays experienced.

The NSW Electoral Commission is a NSW Government entity. The Electoral Commission is a not-for-profit entity (as profit is not its principal objective) and it has no cash-generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts. The NSW Electoral Commission, as a reporting entity, comprises all the entities under its control, namely the parent entity (the statutory authority) and the NSW Electoral Commission Staff Agency.

Statement by the Electoral Commissioner




Statement by the Electoral Commissioner

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

(a) The accompanying financial statements of the New South Wales Electoral Commission have been prepared in accordance with Australian Accounting Standards (which include Australian Accounting Interpretations); the requirements of the *Public Finance and Audit Act 1983* and Public Finance and Audit Regulation 2015; and Treasurer's Directions issued under the Act

(b) The statements exhibit a true and fair view of the financial position as at 30 June 2020 of the New South Wales Electoral Commission and financial performance for the year then ended; and

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



John Schmidt
Electoral Commissioner
4 September 2020

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

New South Wales Electoral Commission

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the New South Wales Electoral Commission (the Commission), which comprise the Statement of comprehensive income and the Statement of changes in equity for the year ended 30 June 2020, the Statement of financial position as at 30 June 2020, and the Statement of cash flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information of the Commission and the consolidated entity. The consolidated entity comprises the Commission and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Commission and the consolidated entity as at 30 June 2020, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the -Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

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

Independent Auditor's Report continued

Other Information

The Commission's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Electoral Commissioner is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Electoral Commissioner.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Electoral Commissioner's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Electoral Commissioner is responsible for assessing the ability of the Commission and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

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



Margaret Crawford
Auditor-General for New South Wales

30 September 2020
SYDNEY

Start of the Audited Financial Statements

Statement of comprehensive income

for the year ended 30 June 2020

	Notes	Consolidated			Parent	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	21,669	30,862	49,016	683	686
Personnel services	2(b)	-	-	-	20,847	47,182
Other operating expenses	2(c)	21,010	10,185	59,232	21,010	59,232
Depreciation and amortisation	2(d)	7,373	8,100	3,381	7,373	3,381
Finance costs	2(e)	153	291	36	153	36
Other expenses	2(f)	34,046	56,637	31,329	34,046	31,329
Total expenses excluding losses		84,251	106,075	142,994	84,112	141,846
Revenue						
Appropriations	3(a)	90,292	114,356	143,268	90,292	143,268
(Transfers to the Crown Entity)		-	(8,600)	-	-	-
Sale of goods and services	3(b)	-	-	1,128	-	1,128
Sale of goods and services from contracts with customers	3(b)	1,121	1,340	-	1,121	-
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	139	513	1,148	-	-
Other revenue		-	8,579	-	-	-
Total revenue		91,552	116,188	145,544	91,413	144,396
Gains/(losses) on disposal	4	(1,481)	-	29	(1,481)	29
Other gains/(losses)	5	(6,721)	-	-	(6,721)	-
Net result	21	(901)	10,113	2,579	(901)	2,579
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive income		(901)	10,113	2,579	(901)	2,579

The accompanying notes form part of these financial statements.

Statement of changes in equity

for the year ended 30 June 2020

	Accumulated Funds	
	Consolidated	Parent
	\$'000	\$'000
Balance at 1 July 2019	15,259	15,259
Net result for the year	(901)	(901)
Total other comprehensive income	-	-
Total comprehensive income for the year	(901)	(901)
Balance at 30 June 2020	14,358	14,358
Balance at 1 July 2018	12,680	12,680
Net result for the year	2,579	2,579
Total other comprehensive income	-	-
Total comprehensive income for the year	2,579	2,579
Balance at 30 June 2019	15,259	15,259

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2020

	Notes	Consolidated			Parent	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Assets						
Current assets						
Cash and cash equivalents	7	4,101	2,807	695	4,101	695
Receivables	8	2,290	9,231	1,632	2,290	1,632
Contract assets	9	3	-	-	3	-
Inventories	10	90	100	102	90	102
Total current assets		6,484	12,138	2,429	6,484	2,429
Non-current assets						
Plant and equipment	11	1,231	11,278	1,919	1,231	1,919
Right-of-use assets	12	35,900	-	-	35,900	-
Intangible assets	13	20,719	29,917	18,442	20,719	18,442
Total non-current assets		57,850	41,195	20,361	57,850	20,361
Total assets		64,334	53,333	22,790	64,334	22,790
Liabilities						
Current liabilities						
Payables	14	3,384	2,169	3,909	3,384	3,909
Borrowings	15	4,097	2,645	-	4,097	-
Provisions	16	3,807	1,727	2,796	3,807	2,796
Other		-	8,601	-	-	-
Total current liabilities		11,288	15,142	6,705	11,288	6,705
Non-current liabilities						
Borrowings	15	38,054	7,997	-	38,054	-
Provisions	16	634	546	826	634	826
Total non-current liabilities		38,688	8,543	826	38,688	826
Total liabilities		49,976	23,685	7,531	49,976	7,531
Net assets		14,358	29,648	15,259	14,358	15,259
Equity						
Accumulated funds	17	14,358	29,648	15,259	14,358	15,259
Total equity		14,358	29,648	15,259	14,358	15,259

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2020

	Notes	Consolidated			Parent	
		Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000	Actual 2020 \$'000	Actual 2019 \$'000
Cash flows from operating activities						
Payments						
Employee related		(21,275)	(30,350)	(46,929)	-	-
Personnel services		-	-	-	(21,275)	(46,929)
Supplies and services		(25,408)	-	(65,114)	(25,408)	(65,114)
Finance costs		(120)	(291)	-	(120)	-
Other expenses		(34,028)	(63,221)	(31,313)	(34,028)	(31,313)
Total payments		(80,831)	(93,862)	(143,356)	(80,831)	(143,356)
Receipts						
Appropriation (excluding equity appropriations)		90,292	114,356	143,268	90,292	143,268
Sale of goods and services		822	(7,260)	1,388	822	1,388
Cash transfers to the Crown Entity		-	(8,600)	-	-	-
Other		3,439	13,579	6,959	3,439	6,959
Total receipts		94,553	112,075	151,615	94,553	151,615
Net cash flows from operating activities	21	13,722	18,213	8,259	13,722	8,259
Cash flows from investing activities						
Proceeds from sale of plant and equipment		-	-	37	-	37
Purchase of plant and equipment		(179)	(1,000)	(1,615)	(179)	(1,615)
Purchase of intangible assets		(7,245)	(14,905)	(7,918)	(7,245)	(7,918)
Net cash flows from investing activities		(7,424)	(15,905)	(9,496)	(7,424)	(9,496)
Cash flows from financing activities						
Payment of principal portion of lease liabilities		(2,892)	(2,466)	-	(2,892)	-
Net cash flows from financing activities		(2,892)	(2,466)	-	(2,892)	-
Net increase/(decrease) in cash and cash equivalents		3,406	(158)	(1,237)	3,406	(1,237)
Opening cash and cash equivalents		695	2,965	1,932	695	1,932
Closing cash and cash equivalents	7	4,101	2,807	695	4,101	695

The accompanying notes form part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2020

1. Summary of significant accounting policies

a) Reporting entity

The New South Wales Electoral Commission (NSWEC) is an independent statutory authority established under *Electoral Act 2017*. We conduct state elections, local council elections, NSW Aboriginal Land Councils and certain statutory elections.

The NSWEC is responsible for public funding to eligible registered political parties, candidates and independent members of Parliament.

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

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

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

These consolidated financial statements for the year ended 30 June 2020 have been authorised for issue by the NSWEC on 4 September 2020.

b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- Treasurer's Directions issued under the Act.

The NSWEC's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations. The NSWEC held cash on hand and at bank as at 30 June 2020 of \$4.1M. As at 30 June 2020 the NSWEC had a net working capital deficit of \$4.8M. This is a consequence of the cash management reforms implemented by the Treasury on 1 July 2015, where agencies funded from the Consolidated Fund are funded on a cash flow needs basis and should only hold unrestricted cash balances to cover their immediate operational requirements. The NSWEC draws down appropriations from the Treasury based on its allocated budget that is sufficient to fund its ongoing operations.

In December 2019, a new virus, COVID-19 was detected in China. This virus spread to other countries with the World Health Organisation declaring in March 2020 that this outbreak should be considered a pandemic. The result of this virus has seen a substantial reduction in economic activity including closure of national and state borders, cancellation of public events and the encouragement to work from home. The financial impact this has had on NSWEC is minimal. The 2020 council elections have been deferred to 2021 resulting in a deferral of associated revenue and expenses. Staff are now largely working from home. Right-of-use assets have been impaired by \$6.7m but this is a non cash entry which will be reversed by either an improvement in the market rental movements in the future or via a reduction in future amortisation charges. NSWEC has ceased 'Commercial' elections for the foreseeable future.

Plant and equipment is measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

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

c) Statement of compliance

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

d) Administered activities

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

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

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

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

Notes to the financial statements

for the year ended 30 June 2020

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

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

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

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

f) Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

g) Comparative information

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

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

i) Effective for the first time in FY2019-20

NSWEC applied AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 16 *Leases for the first time*. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of NSWEC.

AASB 15 revenue from contracts with customers

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and 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 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, NSWEC has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. There has been no increase to opening retained earnings. In applying AASB 15 the group has applied the following practical expedient, adoption of the portfolio approach, as it reasonably expects that the effects of applying the standard under this approach will not differ materially than if applied to individual contracts.

Notes to the financial statements

for the year ended 30 June 2020

The effect of adopting AASB 15 is as follows:

Impact on the statement of comprehensive income (increase/ (decrease)):

	Notes	30 June 2020 \$'000 AASB 15	30 June 2020 Without adoption of AASB 15	30 June 2020 Impact of AASB 15
Revenue				
Sale of goods and services	3(b)	-	1,121	(1,121)
Sale of goods and services from contracts with customers	3(b)	1,121	-	1,121
Net results				-

Impact on statement of financial position (increase/ (decrease)):

	Notes	30 June 2020 \$'000 AASB 15	30 June 2020 Without adoption of AASB 15	30 June 2020 Impact of AASB 15
Assets				
Receivables – current	8	-	3	(3)
Contract assets – current	9	3	-	(3)
Total adjustment to equity				-

The adoption of AASB 15 did not have an impact on Other Comprehensive Income and the Statement of Cash Flows for the financial year.

The adoption of AASB 15 has not had any impact on the financial performance or net assets of NSWEC. AASB 15 impacts how we account for revenue from conducting of elections which is included in the sale of goods and services from customers in the statement of comprehensive income. This change in accounting standard only impacted the timing of when we recognise our election management fee for conducting elections. As at 30 June 2019 and 2020 there was no commercial election being held impacting the recognition of election management fee. In respect of Local Government Elections, these have been deferred to September 2021 with the New South Wales State government funding the election management fee.

NSWEC has adopted the terminology of AASB 15. Accrued revenue previously included in current receivables is now shown as contract assets and deposits received previously included in current payables is now described as contract liabilities.

AASB 1058 Income of not-for-profit entities

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

Notes to the financial statements

for the year ended 30 June 2020

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by NSWEC.
- immediately, for all other income within the scope of AASB 1058.

The adoption of AASB 1058 has not had an impact on Statement of Comprehensive Income, Statement of Financial position, Other Comprehensive income or Statement of Cash Flows.

AASB 16 Leases

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessee accounting

AASB 16 requires NSWEC to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, NSWEC recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

NSWEC has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.42%.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019.

NSWEC elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

In applying AASB 16 for the first time, NSWEC has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4.
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review.
- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application.
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Notes to the financial statements

for the year ended 30 June 2020

The effect of adoption AASB 16 as at 1 July 2019 (increase/ (decrease) is, as follows:

	\$'000
Assets	
Right-of-use assets	4,561
Total assets	4,561
Liabilities	
Borrowings	4,561
Total liabilities	4,561
Net assets	-
Equity	
Accumulated funds	-
Total equity	-

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019 (GST included)	5,112
(Less): GST included in operating lease commitments	(465)
Operating lease commitments as at 30 June 2019 (GST excluded)	4,647
Weighted average incremental borrowing rate as at 1 July 2019	1.42%
Discounted operating lease commitments as at 1 July 2019	4,589
(Less): variance from CPI increase to cash outgoings	(28)
Lease liabilities as at 1 July 2019	4,561

ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Accounting Standards have not been applied and are not yet effective:

- AASB 17 *Insurance Contracts*
- AASB 1059 *Service Concession Agreements: Grantors*
- AASB 2018-5 *Amendments to Australian Accounting Standards – Deferral of AASB 1059*
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2018-7 *Amendment to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendment to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-2 *Amendment to Australian Accounting Standards – Implementation of AASB 1059*
- AASB 2019-3 *Amendment to Australian Accounting Standards – Interest Rate Benchmark Reform*
- AASB 2019-1 *Amendment to Australian Accounting Standards – Disclosure of GFS Measures of KEY Fiscal Aggregates and GAAP/ GFS Reconciliations*

NSWEC anticipates that the adoption of these Standards in the period of initial application will have no material impact on the financial statements.

Notes to the financial statements

for the year ended 30 June 2020

2. Expenses excluding losses

a) Employee related expenses

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Salaries and wages (including annual leave)	18,684	41,906	578	568
Superannuation				
defined benefit Plan	65	50	-	-
defined contribution Plan	1,636	2,906	37	36
Long service leave	70	1,248	29	46
Workers' compensation insurance	115	177	4	2
Payroll tax and fringe benefits tax	1,099	2,453	35	34
Redundancy	-	276	-	-
	21,669	49,016	683	686

\$469,000 of employee related expenses were attributable to the development of new software and was capitalised and excluded from employee related expenses during the year ended 30 June 2020 (2019: \$33,520).

Recognition and measurement

Refer [note 16 – Provisions](#).

b) Personnel services expenses

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Personnel services expense	-	-	20,847	47,182

These relate to expenses for personnel services provided by the NSW Electoral Commission Staff Agency. The New South Wales Staff Agency's objective is to provide personnel services to the New South Wales Electoral Commission, which is the immediate parent.

Notes to the financial statements

for the year ended 30 June 2020

c) Other operating expenses include the following:

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Auditor's remuneration				
- audit of the financial statements	81	79	81	79
Advertising	133	2,737	133	2,737
Consultants	259	162	259	162
Contractors – Agency Staff	7,594	18,989	7,594	18,989
Contractors – Professional Services	2,293	4,155	2,293	4,155
Electricity	76	168	76	168
Facility Hire	-	5,571	-	5,571
Insurance	56	54	56	54
Internal audit	258	233	258	233
IT Hosting Services	2,679	2,761	2,679	2,761
Legal fees	5	2	5	2
Low Pool Assets	151	96	151	96
Maintenance **	12	20	12	20
Operating lease rental expense				
- minimum lease payments	-	3,264	-	3,264
Expenses relating to short-term leases	140	-	140	-
Provision of Services	1,846	3,819	1,846	3,819
Postage	402	2,928	402	2,928
Printing	147	4,269	147	4,269
Rental of furniture and equipment	-	2,085	-	2,085
Security	36	980	36	980
Software maintenance and licences	3,068	3,565	3,068	3,565
Stationery	114	879	114	879
Storage	54	24	54	24
Telephone	71	283	71	283
Training	321	267	321	267
Travel	58	297	58	297
Other	1,156	1,545	1,156	1,545
	21,010	59,232	21,010	59,232

Notes to the financial statements

for the year ended 30 June 2020

Included in other operating expenses are the following election expenses:

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Local Government election	-	78	-	78
General election	5,480	46,508	5,480	46,508
By election	-	652	-	652
Total election expenses included in note 2(c)	5,480	47,238	5,480	47,238

**Reconciliation – total maintenance

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Maintenance expense – contracted labour and other (non-employee related)	12	20	12	20
Total maintenance expense included in note 2(c)	12	20	12	20

Recognition and measurement

Other operating expenses

Other operating expenses are recognised as an expense in the period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Maintenance expense

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

Insurance

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

Lease expense (up to 30 June 2019)

Operating leases

Up to 30 June 2019, operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

Lease expense (from 1 July 2019)

From 1 July 2019, NSWEC recognises the lease payments associated with the following types leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

Notes to the financial statements

for the year ended 30 June 2020

d) Depreciation and amortisation expense

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Depreciation				
Plant and equipment				
Computer Hardware	304	475	304	475
Furniture, fittings and leasehold improvement	533	210	533	210
Plant and equipment	30	29	30	29
Right-of-use assets	3,019	-	3,019	-
	3,886	714	3,886	714
Amortisation				
Intangibles – software	3,487	2,667	3,487	2,667
	3,487	2,667	3,487	2,667
Depreciation and amortisation	7,373	3,381	7,373	3,381

Refer to notes [11](#), [12](#) and [13](#) for recognition and measurement policies on depreciation and amortisation.

e) Finance costs

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Interest expense from lease liabilities	120	-	120	-
Unwinding of discount and effect of changes in discount rate on provisions	33	36	33	36
	153	36	153	36

Recognition and measurement

Finance costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

f) Other expenses

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Joint Roll Agreement (Payment to the Commonwealth) ¹	2,419	2,353	2,419	2,353
Funding of Candidates, Groups and Political Parties	31,627	28,976	31,627	28,976
	34,046	31,329	34,046	31,329

¹Joint Roll Agreement

Notes to the financial statements

for the year ended 30 June 2020

An Arrangement between the Governor General of the Commonwealth and the Governor of New South Wales to provide for a joint electoral enrolment procedure was signed on 21 October 2010. The 'Exchange of Information Agreement' between the Australian Electoral Commission (AEC) and the NSWEC pursuant to this arrangement was executed on the same day. This agreement sets a cost per elector rate and allows for escalation at the Sydney Consumer Price Index. The charge is payable from the NSWEC to the AEC. For the year ending 30 June 2020 the amount payable per elector is \$0.871(2019: \$0.857). AEC has agreed to provide NSWEC a 50 per cent reduction on the full national per elector rate for the year ended 30 June 2020.

Recognition and measurement

Other expenses are recognised as an expense in the period in which they are incurred.

3. Revenue

Recognition and measurement

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

a) Appropriations and transfers to the Crown Entity

Summary of compliance

	2020 \$'000s			2019 \$'000s		
	Appropriation	Expenditure	Variance	Appropriation	Expenditure	Variance
Original budget per Appropriation Act	114,356	90,292	24,064	158,699	143,268	15,431
Total annual appropriations/ expenditure/net claim on annual appropriations (includes transfer payments)	114,356	90,292	24,064	158,699	143,268	15,431
Amount drawn down against annual appropriations*	-	90,292	-	-	143,268	-
Liability for lapsed appropriations drawn down	-	-	-	-	-	-
*Comprising:						
Appropriations (per statement of comprehensive income)**	114,356	90,292	24,064	158,699	143,268	15,431
	114,356	90,292	24,064	158,699	143,268	15,431
**Appropriations (per statement of comprehensive income):						
Recurrent	98,451	82,950	15,501	137,933	132,753	5,180
Capital	15,905	7,342	8,563	20,766	10,515	10,251
	114,356	90,292	24,064	158,699	143,268	15,431

Notes to the financial statements

for the year ended 30 June 2020

Movement of Section 4.7 GSF Act

Deemed appropriations:

	2020 \$'000	2019 \$'000
Opening balance	-	-
Add: additions of deemed appropriations	822	1,388
Less: expenditure charged against deemed appropriations	(822)	(1,388)
Closing balance	-	-

Recognition and measurement

Parliamentary appropriations

Until 30 June 2019, except as specified below, appropriations are recognised as income when NSWEC obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Appropriations are not recognised as income in the following circumstances:

- Lapsed appropriations are recognised as liabilities rather than income, as the authority to spend the money lapses and the unspent amount is not controlled by NSWEC
- The liability will be extinguished next financial year through the next annual Appropriations Act. Any liability in respect of transfer payments is disclosed in Note 22 'Administered assets and liabilities'.

After AASB 15 and AASB 1058 became effective on 1 July 2019, the treatment of appropriations remains the same, because appropriations do not contain an enforceable sufficiently specific performance obligation as defined by AASB 15.

NSWEC receives its funding under appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Bill that is prepared and tabled for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed until November/December 2020. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the release of the 2020-21 Budget or Appropriation Bill.

b) Sale of goods and services from contracts with customers/sale of goods and services

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Rendering of services from contracts with customers				
Local government, Aboriginal Land Titles and other statutory elections	1,121	-	1,121	-
Rendering of services				
Local government and other statutory elections	-	963	-	963
Election administration costs recovered	-	165	-	165
	1,121	1,128	1,121	1,128

Notes to the financial statements

for the year ended 30 June 2020

Recognition and measurement

Until 30 June 2019

Sale of goods

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

Rendering of services

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

From 1 July 2019

Rendering of services

Revenue from rendering of services is recognised when the NSWEC satisfies the performance obligations by transferring the promised services. NSWEC provides services to conduct local council elections, NSW Aboriginal Land Councils and certain statutory elections. NSWEC in their contracts with these entities details service levels. As these service levels are met NSWEC recognises revenue for these services over time which approximate the costs incurred to date. Revenue from the election management fee is also brought to account in line with when service levels are met.

The customers are invoiced upon completion of the election and all costs of the election have been finalised.

Refer [note 9](#) for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partly unsatisfied) at the end of the reporting period, and when NSWEC expects to recognise the unsatisfied portion as revenue.

c) Acceptance by the Crown Entity of Employee Benefits and other liabilities

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

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Superannuation-defined benefit	64	49	-	-
Long service leave	71	1,096	-	-
Payroll tax	4	3	-	-
	139	1,148	-	-

Notes to the financial statements

for the year ended 30 June 2020

4. Gains/(losses) on disposal

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Plant and equipment				
Plant and equipment (gross carrying amount)	-	1,580	-	1,580
Less: accumulated depreciation	-	(1,572)	-	(1,572)
Written down value	-	8	-	8
Proceeds	-	37	-	37
Net gain on disposal of plant and equipment	-	29	-	29
Intangible assets				
Intangible assets (gross carrying amount)	1,856	675	1,856	675
Less: accumulated amortisation	(375)	(675)	(375)	(675)
Written down value	1,481	-	1,481	-
Proceeds	-	-	-	-
Net loss on disposal of intangible assets	(1,481)	-	(1,481)	-
Net gain/(loss) on disposal of plant, equipment and intangible assets	(1,481)	29	(1,481)	29

5. Other gains/(losses)

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Impairment losses on right-of-use assets	(6,721)	-	(6,721)	-
	(6,721)	-	(6,721)	-

Recognition and measurement

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the entity from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

[Leases – note 12](#)

[Intangible assets – note 13](#)

6. Program group statement

The NSWEC has one program group only. This program group covers the delivery of elections and related services. Details of the expenses, revenues, assets and liabilities for this program group are available in the Statement of Comprehensive Income and Statement of Financial Position. Program group statements therefore have not been prepared. Administered Assets and Liabilities are shown in [note 22](#). Administered expenses and income are shown in notes [23](#) and [24](#) respectively.

Notes to the financial statements

for the year ended 30 June 2020

7. Current assets – cash and cash equivalents

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at bank and on hand	4,101	695	4,101	695
	4,101	695	4,101	695

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and cash at bank.

Cash and cash equivalents assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash and cash equivalents (per statement of financial position)	4,101	695	4,101	695
Closing cash and cash equivalents (per statement of cash flows)	4,101	695	4,101	695

Refer [note 25](#) for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

8. Current assets – receivables

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables from contracts with customers	493	-	493	-
Sale of goods and services	-	31	-	31
Accrued income	-	46	-	46
GST recoverable from the taxation authority	466	542	466	542
Prepayments	1,285	957	1,285	957
Deposits Recoverable	15	36	15	36
Payments for long service leave recoverable from New South Wales Treasury	-	20	-	20
Other receivables	31	-	31	-
	2,290	1,632	2,290	1,632

For the year ended 30 June 2020, there were no impairment of trade receivables (2019: \$Nil).

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in [note 25](#).

Recognition and measurement

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Notes to the financial statements

for the year ended 30 June 2020

Subsequent measurement

NSWEC holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

NSWEC recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that NSWEC expects to receive, discounted at the original effective interest rate.

For trade receivables, NSWEC applies a simplified approach in calculating ECLs. NSWEC recognises a loss allowance based on lifetime ECLs at each reporting date. NSWEC has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

9. Contract assets and liabilities

	2020 \$'000	1 July 2019 \$'000 adjusted for AASB 15
Contract assets – current	3	9
Less: impairment allowance	-	-
	3	9
Contract receivables included in note 8	493	20

Recognition and measurement

Contract assets relate to NSWEC's right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date in respect of conduct of local government, NSW Aboriginal Land Council and commercial elections. The balance of contract assets at 30 June 2020 was impacted by Aboriginal Land Council elections held in November 2019.

Aboriginal Land Council was invoiced in May 2020 with the invoice paid in July 2020.

	2020 \$'000
Revenue recognised that was included in the contract liability balance (adjusted for AASB 15) at the beginning of the year	-
Revenue recognised from performance obligations satisfied in previous periods	-
Transaction price allocated to the remaining performance obligations from contracts with customers	46,287

The Transaction price allocated to the remaining performance obligations relates to Local Government Elections. 5% is expected to be recognised as revenue in the 2020-21 financial year and 95% in the 2021-22 financial year.

Notes to the financial statements

for the year ended 30 June 2020

10. Current assets – inventories

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Held for distribution				
Requisite election materials – at cost	90	102	90	102
	90	102	90	102

Recognition and measurement

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

11. Non-current assets – plant and equipment consolidated and parent

	Computer hardware	Furniture, fittings & leasehold improvement	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2019 – fair value				
Gross carrying amount	3,908	4,432	655	8,995
Accumulated depreciation	(3,036)	(3,523)	(517)	(7,076)
Net carrying amount	872	909	138	1,919
At 30 June 2020 – fair value				
Gross carrying amount	4,080	4,432	662	9,174
Accumulated depreciation	(3,340)	(4,056)	(547)	(7,943)
Net carrying amount	740	376	115	1,231

Notes to the financial statements

for the year ended 30 June 2020

Reconciliation

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

	Computer hardware	Furniture, fittings & leasehold improvement	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2020				
Net carrying amount at start of the year	872	909	138	1,919
Additions	172	-	7	179
Depreciation expense – assets owned	(304)	(533)	(30)	(867)
Net carrying amount at end of the year	740	376	115	1,231
At 1 July 2018 – fair value				
Gross carrying amount	3,875	3,759	651	8,285
Accumulated depreciation	(3,261)	(3,466)	(532)	(7,259)
Net carrying amount	614	293	119	1,026
At 30 June 2019 – fair value				
Gross carrying amount	3,908	4,432	655	8,995
Accumulated depreciation	(3,036)	(3,523)	(517)	(7,076)
Net carrying amount	872	909	138	1,919

Reconciliation

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

	Computer hardware	Furniture, fittings & leasehold improvement	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2019				
Net carrying amount at start of the year	614	293	119	1,026
Additions	733	826	56	1,615
Disposals	-	-	(8)	(8)
Depreciation expense	(475)	(210)	(29)	(714)
Net carrying amount at end of the year	872	909	138	1,919

Notes to the financial statements

for the year ended 30 June 2020

Recognition and measurement

Acquisition of plant and equipment

Plant and equipment are initially measured at cost and subsequently valued at fair value less accumulated depreciation and impairment.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

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

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

Capitalisation thresholds

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

Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the NSWEC.

All material separately identifiable components of assets are depreciated over their useful lives.

Asset type	Useful life
Computer hardware	4 Years
Plant and equipment	7 Years
Furniture and fixtures	8 Years
Leasehold improvements	7 Years*

* Or to the end of the lease, if shorter.

Right-of-use assets acquired by lessees (under AASB 16 from 1 July 2019)

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. NSWEC has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at [note 12](#).

Revaluation of property, plant and equipment

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

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. The NSWEC has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

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

The net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition.

Impairment of property, plant and equipment

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

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset

12. Leases

NSWEC leases various properties. Lease contracts are typically made for fixed periods of 2 to 12 years with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. NSWEC does not provide residual value guarantees in relation to leases.

Notes to the financial statements

for the year ended 30 June 2020

Extension options are included in NSWEC property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The extension options held are exercisable only by NSWEC and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

From 1 July 2019, AASB 16 *Leases* (AASB16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

NSWEC has elected to recognise payments for short-term leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property. NSWEC has no right-of-use assets that meet the definition of investment property.

Buildings

	\$'000
Balance at 1 July 2019	4,561
Additions	41,079
Impairment losses	(6,721)
Depreciation expense	(3,019)
Balance at 30 June 2020	35,900

Lease liabilities

The following table presents liabilities under leases.

	\$'000
Balance at 1 July 2019	4,561
Additions	40,481
Interest expenses	120
Payments	(3,011)
Balance at 30 June 2020	42,151

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020 in respect of leases where NSWEC is the lessee:

	\$'000
Depreciation expense of right-of-use assets	3,019
Impairment losses	6,721
Interest expense on lease liabilities	120
Expense relating to short-term leases	140
Total amount recognised in the statement of comprehensive income	10,000

NSWEC had total cash outflows for leases of \$3.2m in FY2019-20.

Future minimum lease payments under non-cancellable operating leases as at 30 June 2019 are, as follows:

	2019 \$'000
Within one year	3,027
Later than one year and not later than five years	2,085
Total (including GST)	5,112
Less: GST recoverable from the Australian Tax Office	465
Total (excluding GST)	4,647

Recognition and measurement (under AASB 16 from 1 July 2019)

NSWEC assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NSWEC recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

Notes to the financial statements

for the year ended 30 June 2020

i) Right-of-use assets

NSWEC recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings – 2 to 12 years
- Land – not applicable

The right-of-use assets are also subject to impairment. NSWEC assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the NSWEC estimates the assets recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

COVID-19 has resulted in a decrease in rental costs for office accommodation in the Sydney CBD. Based on Percentage Cumulative Net Market Rent Forecast Changes – Jun20 Quarter vs Jun19 Quarter, market rents have decreased by 15.67% and 23.09% for office accommodation that we currently rent. This decrease in rental costs has resulted in NSWEC to impair the right-of-use assets by \$6.7m.

ii) Lease liabilities

At the commencement date of the lease, NSWEC recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by NSWEC; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for NSWEC's leases, the lessee's incremental borrowing rate is used, being the rate that NSWEC would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NSWEC's lease liabilities are included in borrowings.

iii) Short-term leases and leases of low-value assets

NSWEC applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption for leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Recognition and measurement (under AASB 117 until 30 June 2019)

An operating lease is a lease other than a finance lease. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. NSWEC had no finance leases.

Notes to the financial statements

for the year ended 30 June 2020

13. Intangible assets – consolidated and parent

	Software	Total
	\$'000	\$'000
At 1 July 2019		
Gross carrying amount	35,481	35,481
Accumulated amortisation	(17,039)	(17,039)
Net carrying amount	18,442	18,442
At 30 June 2020		
Gross carrying amount	40,867	40,867
Accumulated amortisation	(20,148)	(20,148)
Net carrying amount	20,719	20,719

Reconciliation

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

	Software	Total
	\$'000	\$'000
Year ended 30 June 2020		
Net carrying amount at start of the year	18,442	18,442
Additions – internally developed software	7,245	7,245
Impairment losses	(1,481)	(1,481)
Amortisation expense (recognised in 'depreciation and amortisation')	(3,487)	(3,487)
Net carrying amount at end of the year	20,719	20,719
Year ended 30 June 2019		
Net carrying amount at start of the year	13,191	13,191
Additions – internally developed software	7,918	7,918
Disposals	-	-
Amortisation expense (recognised in 'depreciation and amortisation')	(2,667)	(2,667)
Net carrying amount at end of the year	18,442	18,442

Notes to the financial statements

for the year ended 30 June 2020

Recognition and measurement

The NSWEC recognises intangible assets only if it is probable that future economic benefits will flow to the NSWEC and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the NSWEC's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

Currently, the NSWEC's intangible assets solely comprise of software.

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

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

The NSWEC's intangible assets are amortised using the straight-line method over a period of between 4 years and 12 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The review of the useful life of intangibles resulted in one intangible assets useful life being increased from 7 to 12 years. The effect of this change in depreciation expense is as follows;

	2020 \$'000	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000
(Decrease) Increase	(48.8)	(469.9)	111.2	111.2	111.2	111.2	73.9

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

14. Current liabilities – payables

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Accrued salaries, wages and on-costs	333	266	-	-
Accrued personnel services	-	-	333	266
Creditors	3,051	3,643	3,051	3,643
	3,384	3,909	3,384	3,909

Accrued personnel services payable relate to the accrued cost of personnel services provided by the New South Wales Electoral Commission Staff Agency. Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in [note 25](#).

Recognition and measurement

Payables represent liabilities for goods and services provided to the NSWEC and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through amortisation.

Notes to the financial statements

for the year ended 30 June 2020

15. Current/Non-current liabilities – borrowings

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Lease liability (see note 12)	4,097	-	4,097	-
Non-current				
Lease liability (see note 12)	38,054	-	38,054	-
Total Borrowings	42,151	-	42,151	-

Recognition and measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

From 1 July 2019, lease liabilities are determined in accordance with AASB 16.

Changes in liabilities arising from financing activities

	Leases	Total
	\$'000	\$'000
30 June 2019	-	-
Recognised on adoption of AASB 16	4,561	4,561
1 July 2019	4,561	4,561
New leases	40,481	40,481
Cash flows	(2,891)	(2,891)
30 June 2020	42,151	42,151

Notes to the financial statements

for the year ended 30 June 2020

16. Current/Non-current liabilities – provisions

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
Personnel services & employee benefits (a)				
Annual Leave	2,581	2,392	50	42
Long service leave on-costs	403	404	16	12
Personnel services	-	-	2,918	2,742
	2,984	2,796	2,984	2,796
Other provisions				
Lease make good	823	-	823	-
Total current provisions	3,807	2,796	3,807	2,796
Non-current				
Long service leave on-costs	35	35	-	-
Personnel services	-	-	35	35
	35	35	35	35
Other provisions				
Lease make good	599	791	599	791
Total non-current provisions	634	826	634	826
Aggregate personnel services, employee benefits and related on-costs				
Provisions – current	2,984	2,796	2,984	2,796
Provisions – non-current	35	35	35	35
Accrued salaries, wages and on-costs (note 14)	333	266	-	-
Accrued personnel services (note 14)	-	-	333	266
	3,352	3,097	3,352	3,097

Notes to the financial statements

for the year ended 30 June 2020

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

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Short term - less than twelve months				
Annual leave	1,712	1,626	50	42
Long service leave on-costs	403	404	16	12
Personnel services	-	-	2,049	1,976
	2,115	2,030	2,115	2,030
Long term - after 12 months				
Annual leave	869	766	-	-
Long service leave on-costs	35	35	-	-
Personnel services	-	-	904	801
	904	801	904	801

Movements in other provisions (other than personnel services or employee benefits)

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

	Lease make good	Total
	\$'000	\$'000
Carrying amount at the beginning of financial year	791	791
Additional provisions recognised	598	598
Unwinding/change in the discount rate	33	33
Carrying amount at end of financial year	1,422	1,422

Notes to the financial statements

for the year ended 30 June 2020

Recognition and measurement

Employee benefits and related on-costs

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

Employee benefits provision relates to employees directly employed by the NSWEC.

Employee related provisions include:

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

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

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

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

b) Long service leave and superannuation

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

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

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

c) Consequential on-costs

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

Other provisions

Other provisions are recognised when: the NSWEC has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the NSWEC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when NSWEC has a detailed formal plan and the NSWEC has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

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

When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

17. Equity

Recognition and measurement

Accumulated funds

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

Notes to the financial statements

for the year ended 30 June 2020

18. Commitments for expenditure

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Capital commitments				
Aggregate capital expenditure contracted for at balance date and not provided for:				
Not later than one year	516	2,668	62	2,668
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	516	2,668	62	2,668

These capital commitments are not recognised in the financial statements as liabilities. The amount of tax recoverable from the Australian Taxation Office included within commitments is \$47K (2019: \$707K).

19. Contingent liabilities and contingent assets

The NSWEC has no contingent liability as at 30 June 2020 (2019: Nil).

The NSWEC has no contingent assets as at 30 June 2020 (2019: Nil).

20. Budget review

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

Net result

The net result of \$0.9m loss is \$11.0m less than the full year budgeted net result of \$10.1m. Appropriations revenue is down by \$24.1m. This was mainly due to the transfer from 2019/20 to 2020/21 of carry forward amounts of \$8.6m capital funding and \$13.3m operating expenses. The \$8.6m in Other Revenue and corresponding Transfers to the Crown Entity \$8.6m did not occur as these related to the Local Government Elections and these elections were postponed by the NSW Government by 12 months to September 2021. There was also write-offs of intangible assets of \$1.5m and the impairment of the right-of-use lease asset was \$6.7m.

Assets and liabilities

Non-Current Borrowings represent the largest variance to budget at \$38.1m against a Full Year budget of \$8.0m. This is due to the budget anticipating that the NSW Electoral Commission would be staying at its current Kent St premises until February 2024. However a new 12 year lease was signed for Elizabeth St premises and the Commission will be moving out of Kent St by February 2021. Right-of-use assets are also \$35.9m above budget due the signing of the new 12 year lease. Intangible assets of \$20.7m are down against a budget of \$29.9m due to the delay in the delivery of capital projects resulting in a reduction in Intangible asset investment of \$9.0m. Cash and Cash Equivalents of \$4.1m is above the full year budget of \$2.8m as cash was drawn down to meet candidate and party public funding payments on 1 July 2020. Receivables of \$2.3m are below the full year budget of \$9.2m as the budgeted \$8.6m in Local Government Election expenses, previously receivable from Councils, is now included in core service costs which are funded by the State. Other Liabilities are also down by \$8.6m against budget. This related to the amount payable back to Treasury for the amount recovered from Council for Local Government Election expenses. As these core service costs are now covered by the State, no amount is payable back to the State for the funding of these costs.

Cash flows

There is a \$8.5m reduction in investing activity cash flow against a budget of \$15.9m. This is mainly due to 3 capital projects being delayed in their delivery. Net cash flow from operating activities is \$4.5m down against the full year budget of \$18.2m. This is mainly due to the carry forward of \$13.3m in operational projects offset by \$8.6m in Transfers to the Crown not occurring due to these core election costs now being covered by the State. The two largest carry forward projects are Local Government Elections \$4.5m and Redistribution \$1.8m.

Notes to the financial statements

for the year ended 30 June 2020

21. Reconciliation of cash flows from operating activities to net result

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net cash flows from operating activities	13,722	8,259	13,722	8,259
Depreciation and amortisation	(7,373)	(3,381)	(7,373)	(3,381)
Impairment of Intangibles and Right-of-use assets	(6,721)	-	(6,721)	-
Decrease/(increase) in provisions and other liabilities	(221)	(865)	(221)	(865)
Increase/(decrease) in receivables and other assets	647	(266)	647	(266)
Increase/(decrease) in contract assets	3	-	3	-
Decrease/(increase) in payables	523	(1,197)	523	(1,197)
Net gain/(loss) on disposal of plant and equipment & intangible assets	(1,481)	29	(1,481)	29
Net result	(901)	2,579	(901)	2,579

22. Administered assets and liabilities

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

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

	2020 \$'000	2019 \$'000
Administered assets:		
Receivables – fines for failure to vote	2	20,663
Cash at bank	26	45
Administered liabilities:		
Payables – refund of fines for failure to vote	(16)	(6)
Payables – Crown Entity	(12)	(45)
Payables – Local Government Entities	(14)	-
Reconciliation of administered assets		
Opening balance	20,657	(8)
New fines issued	28	24,220
Fines written back	(7,706)	(1,803)
Fines paid	(1,874)	(895)
Referred for collection to Office of State Revenue	(11,119)	(857)
Administered assets/(liabilities)	(14)	20,657

Notes to the financial statements

for the year ended 30 June 2020

23. Administered expenses – debts written off

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Fines written back	(7,706)	(1,803)	(7,706)	(1,803)

24. Administered income

	Consolidated		Parent	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Fines for failure to vote	28	24,220	28	24,220

25. Financial instruments (parent and consolidated)

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

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

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

a) Financial instrument categories

Class	Note	Category	Carrying amount	
			2020 \$'000	2019 \$'000
Financial Assets				
Cash and cash equivalents	7	N/A	4,101	695
Receivables*	8	Amortised cost	539	133
Contract assets	9		3	-
Financial Liabilities				
Payables**	14	Financial liabilities measured at amortised cost	3,292	3,824
Borrowings	15	Financial liabilities measured at amortised cost	42,151	-

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

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

NSWEC determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Notes to the financial statements

for the year ended 30 June 2020

b) Financial risk

i) Credit risk

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

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

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

Cash and cash equivalents

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

Accounting policy for impairment of trade receivables and other financial assets

Receivables – trade receivables and contract assets

All trade receivables and contract assets are recognised as amounts receivable at balance date. Collectability of trade receivables and contract assets is reviewed on an ongoing basis. No interest is earned on trade receivables or contract assets. Sales are made on 30 day terms. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off.

The NSWEC applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on historical observed loss rates. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

NSWEC does not have a history of impairment losses. The loss allowance for trade receivables as at 30 June 2020 and 30 June 2019 is \$Nil.

Based on past experience, trade receivables that are not past due (past due 2020: \$Nil and 2019: \$Nil) represent 100% of the total trade debtors.

ii) Liquidity risk

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

The NSWEC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

Notes to the financial statements

for the year ended 30 June 2020

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

	Interest rate exposure					Maturity dates		
	Weighted average effective interest rate	Nominal amount	Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 yr.	1-5 yrs.	> 5 yrs.
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020								
Payables	-	3,292	-	-	3,292	3,292	-	-
Borrowings								
Lease liabilities	2.22	42,151	42,151	-	-	4,097	10,815	27,239
2019								
Payables	-	3,824	-	-	3,824	3,824	-	-

iii) Market risk

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

iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. NSWEC does not have exposure to interest rate risk through interest bearing liabilities. NSWEC does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The NSWEC's exposure to interest rate risk is set out below:

	Carrying amount \$'000	Profit \$'000	-1% equity \$'000	Profit \$'000	1% equity \$'000
2020					
Financial assets					
Cash and cash equivalents	4,101	-	-	-	-
Receivables	539	-	-	-	-
Contract assets	3	-	-	-	-
Financial liabilities					
Payables	3,292	-	-	-	-
Borrowings – Lease liabilities	42,151	-	-	-	-
2019					
Financial assets					
Cash and cash equivalents	695	-	-	-	-
Receivables	133	-	-	-	-
Financial liabilities					
Payables	3,824	-	-	-	-

Notes to the financial statements

for the year ended 30 June 2020

c) Fair value measurement

i) Fair value compared to carrying amount

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

ii) Fair value recognised in the statement of financial position

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

26. Related party disclosures

The reporting entity is controlled by the State of New South Wales (and is consolidated as part of the NSW Total State Sector Accounts), which is the ultimate parent.

The Key Management Personnel are defined as, the Electoral Commissioner, Electoral Commission members and Executive Directors.

The NSWEC's key management personnel compensation are as follows:

	Consolidated	
	2020 \$'000	2019 \$'000
Short-term employee benefits		
Salaries	1,613	1,527
Other monetary allowances	13	77
Other long-term employee benefits	35	94
Post-employment benefits	118	116
Total remuneration	1,779	1,814

No material transactions took place between the NSWEC and Key Management Personnel, their close family members and controlled or jointly controlled entities thereof during the year.

During the year, the NSWEC entered into transactions on arm's length terms and conditions with other entities controlled by the NSW Government. These transactions include:

- Appropriations from the Crown Entity
- Administering income, expenses, assets and liabilities on behalf of the Crown Entity
- Leasing of properties from Government Property NSW
- Long Service Leave and Defined Benefit Superannuation assumed by the Crown Entity
- Payments into the icare TMF Scheme
- Payment to the Audit Office of NSW for the audit of our financial statements
- Provision of data centre services with the New South Wales Department of Customer Services.

27. Events after reporting period

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



Jubilee Room – image supplied by Parliament of New South Wales.

5

References

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Index to NSW Treasury annual report requirements

Requirement		Page
Letter of submission (letter of transmittal)	ARSBA s9A	Inside cover
Application for extension of time	ARSBA s13(5)	N/A
Charter (see Establishment)	ARSBR Sch.1	6
Aims and objectives	ARSBR Sch.1	6, 7
Access	ARSBR Sch.1	Back cover
Management and structure	ARSBR Sch.1	8, 9, 10
Summary review of operations	ARSBR Sch.1	7, 20-26, 36-93
Funds granted to non- government community organisations	ARSBR Sch.1	N/A
Legal change (see Legislative change)	ARSBR Sch.1 ARSBA s9(1)(f)	14
Economic or other factors	ARSBR Sch.1	N/A
Management and activities	ARSBR Sch.1	20-26, 36-93
Research and development	ARSBR Sch.1	N/A
Human resources (see Our people, culture and work environment)	ARSBR Sch.1	28
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Glossary

Refer also to the glossary on our website, at elections.nsw.gov.au/glossary

Name/Title	Definition
Associated entity	A corporation or other entity that operates solely for the benefit of a party that is registered for State elections or a member of the NSW Parliament.
Candidate	<p>A person who is nominated in accordance with the <i>Electoral Act 2017</i> for election to political office and whose nomination has been accepted by the Electoral Commissioner. Only duly nominated candidates have their names included on a ballot paper.</p> <p>Under the <i>Electoral Funding Act 2018</i>, a candidate includes a person registered as a candidate under the <i>Electoral Funding Act 2018</i> for the purpose of accepting political donations and electoral expenditure.</p> <p>A candidate under the <i>Electoral Funding Act 2018</i> also includes an unregistered candidate who has accepted a political donation or made a payment for electoral expenditure for the election.</p> <p>Refer also to the Glossary on our website, elections.nsw.gov.au/Glossary Candidate is also defined in the Local Government Act 1993.</p>
Cap on electoral expenditure	Electoral expenditure incurred by parties, groups, candidates and third-party campaigners is capped during the capped expenditure period of a state general election. There are different caps applicable to parties, groups, candidates and third-party campaigners.
Cap on political donations	Political donations made to registered political parties, unregistered parties, elected members, groups, candidates, associated entities and third-party campaigners are subject to caps. There are different caps applicable to registered political parties, unregistered parties, elected members, groups, candidates, associated entities and third-party campaigners.
Capped expenditure period	The period in which the electoral expenditure of parties, groups, candidates and third-party campaigners is capped. For the 2019 NSW State election, the period commenced 1 October 2018 and ends on the period in which the electoral expenditure of parties, candidates and other election participants is capped. The period commenced 1 October 2018 and ends on election day.
Disclosure	The disclosure of political donations and electoral expenditure by a party, elected member, candidate, group, third-party campaigner, associated entity or major political donor to the NSW Electoral Commission.
Donor	A person or entity who makes a political donation to a party, elected member, candidate, group or other person or entity (including a third-party campaigner or associated entity). See also: Major political donor.
Elector	A person eligible to vote at an election. To be eligible to vote, a person must be aged 18 years or over on the election day, an Australian citizen, and resident at an address in NSW for at least one month before they enrol. Note that a person can enrol to vote at a voting centre on election day.
Electoral expenditure	Electoral expenditure is money or its equivalent spent: promoting or opposing a political party or political participant (directly or indirectly) influencing (directly or indirectly) the voting at an election.
Enrolment	The process of officially registering to be on the list of voters.
Endorsed	Endorsed, in relation to a party, means endorsed, selected or otherwise accredited to stand as a representative of the party in an election.
Independent	An independent is a candidate for election/member of Parliament who is not endorsed by a political party.

Name/Title	Definition
Legislative Assembly	The lower house of Parliament in NSW. It has 93 members each representing an electoral district. All 93 members are elected at a general election, every four years.
Legislative Council	The upper house of the Parliament of New South Wales consisting of 42 members elected for an eight-year term, half of whom (that is, 21) are elected at each general election every four years.
Lobbyist/ Third-party lobbyist	A third-party lobbyist is an individual or body carrying on the business (generally for money or other valuable consideration) of lobbying government officials on behalf of another individual or body.
Major political donor	A person or entity (other than a party, elected member, group or candidate) who makes a reportable political donation of or exceeding \$1,000. See also: donor.
Nomination	The process by which a person applies to become a candidate for election. Note that this is different from 'registration' under the <i>Electoral Funding Act 2018</i> .
Political donation	A political donation is a gift made to, or for the benefit of, a political participant. The precise meaning of political donation is different for each type of political participant.
Political participant	Individuals and groups actively involved in the electoral process. Political participants include: <ul style="list-style-type: none"> • candidates and groups • political parties • members of Parliament and councillors • party agents and official agents • associated entities • third-party campaigners • political donors • third-party lobbyists.
Redistribution	To ensure the number of electors in each New South Wales electoral district remains approximately the same over time, the <i>Constitution Act 1902</i> requires that electoral district boundaries are reviewed and adjusted if necessary. This formal process is called a redistribution, and must take place after every second New South Wales State general election. See the section in this report headed "" for more information.
Registered party	A political party on the Register of Parties kept by the Electoral Commissioner under the <i>Electoral Act 2017</i> . To be eligible to be registered, a party must have at least 750 members, and have a written constitution, however that is expressed.
Registration	In relation to a candidate, group of candidates or third-party campaigner for the election, means being registered under the <i>Electoral Funding Act 2018</i> for the purposes of accepting political donations and making payments for electoral expenditure. See also: Nomination.
Reportable political donation	A political donation of or more than \$1,000 made to or for the benefit of a party, elected member, group, candidate, associated entity or third-party campaigner.

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