



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Electoral Commissioner Electoral Commission of South Australia

Opinion

I have audited the financial report of the Electoral Commission of South Australia for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Electoral Commission of South Australia as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2022
- a Statement of Administered Financial Position as at 30 June 2022
- a Statement of Administered Cash Flows for the year ended 30 June 2022
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information for administered items
- a Certificate from the Electoral Commissioner and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of

my report. I am independent of the Electoral Commission of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Electoral Commissioner for the financial report

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

In preparing the financial report, the Electoral Commissioner is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Electoral Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Electoral Commission of South Australia for the financial year ended 30 June 2022.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Electoral Commission of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Electoral Commissioner
- conclude on the appropriateness of the Electoral Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

26 September 2022

Electoral Commission of South Australia

Certification of the Financial Statements

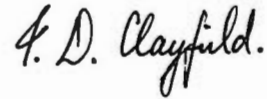
We certify that the:

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



Mick Sherry
Electoral Commissioner

Date: 23 September 2022



Ian Clayfield
Chief Financial Officer

Electoral Commission of South Australia

Statement of Comprehensive Income

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<u>Income</u>			
Appropriation	2.1	29 972	6 640
SA Government grants	2.2	1 846	-
Sales of goods and services	2.3	1 456	867
Fees and charges	2.4	131	2
Resources received free of charge	2.5	71	69
Other income	2.6	94	29
Total income		33 570	7 607
<u>Expenses</u>			
Employee benefits expenses	3.3	16 566	2 849
Supplies and services	4.1	16 587	2 837
Depreciation and amortisation	4.2	814	635
Other expenses	4.3	522	39
Total expenses		34 489	6 360
Net result		(919)	1 247
Total comprehensive result		(919)	1 247

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

Electoral Commission of South Australia

Statement of Financial Position

as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.2	2 099	4 851
Receivables	6.3	1 012	335
Total current assets		3 111	5 186
<u>Non-current assets</u>			
Property, plant and equipment	5.1	2 505	828
Intangible assets	5.2	1 166	884
Total non-current assets		3 671	1 712
Total assets		6 782	6 898
<u>Current liabilities</u>			
Payables	7.2	974	313
Financial liabilities	7.3	22	22
Employee benefits	3.4	436	310
Provisions	7.4	17	13
Other current liabilities	7.5	105	105
Total current liabilities		1 554	763
<u>Non-current liabilities</u>			
Payables	7.2	28	20
Financial liabilities	7.3	3	25
Employee benefits	3.4	424	308
Provisions	7.4	39	24
Other non-current liabilities	7.5	105	210
Total non-current liabilities		599	587
Total liabilities		2 153	1 350
Net assets		4 629	5 548
<u>Equity</u>			
Contributed capital		1 558	1 558
Retained earnings		3 071	3 990
Total equity		4 629	5 548

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

Electoral Commission of South Australia

Statement of Changes in Equity

for the year ended 30 June 2022

	Contributed capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2020	1 558	2 743	4 301
Net result for 2020-21 and Total comprehensive result for 2020-21	-	1 247	1 247
Balance at 30 June 2021	1 558	3 990	5 548
Net result for 2021-22 and Total comprehensive result for 2021-22	-	(919)	(919)
Balance at 30 June 2022	1 558	3 071	4 629

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

Electoral Commission of South Australia

Statement of Cash Flows

for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Appropriation		29 972	6 640
SA Government grants		1 846	-
Sales of goods and services		935	854
Fees and charges		131	2
GST recovered from the ATO (net of payments)		1 772	228
Receipts from paid parental leave scheme		-	18
Other receipts		94	29
Cash generated from operations		34 750	7 771
<i>Cash outflows</i>			
Employee benefits payments		(16 274)	(3 050)
Payments for supplies and services		(17 907)	(3 175)
Payments for paid parental leave scheme		-	(18)
Other payments		(296)	(39)
Cash used in operations		(34 477)	(6 282)
Net cash provided by operating activities		273	1 489
Cash flows from investing activities			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(2 200)	-
Purchase of intangible assets		(803)	(353)
Net cash used in investing activities		(3 003)	(353)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of principal portion of lease liabilities		(22)	(20)
Cash used in financing activities		(22)	(20)
Net cash used financing activities		(22)	(20)
Net increase/(decrease) in cash and cash equivalents		(2 752)	1 116
Cash and cash equivalents at the beginning of the period		4 851	3 735
Cash and cash equivalents at the end of the period	6.2	2 099	4 851
<i>Non-cash transactions</i>			
Resources received free of charge from SA government agencies	2.5 & 4.1	71	69

The accompanying notes form part of these financial statements.

Electoral Commission of South Australia

Notes to the Financial Statements

1. About the Electoral Commission of South Australia

The Electoral Commission of South Australia (the Commission) is a government agency of the State of South Australia. The Commission is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown, which has been established to assist the Electoral Commissioner to discharge statutory duties in accordance with the provisions of the *Electoral Act 1985*.

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

Administered financial statements relating to administered resources are presented separately as part of this report after Note 8.

1.1 Basis of preparation

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

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements the Commission is a not-for-profit entity.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency.

The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements.

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

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

Cash flows include GST in the Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2 Objectives and programs

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

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

Electoral Commission of South Australia

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

Program 1: Parliamentary Electoral Services

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

Program 2: Non-Parliamentary Electoral Services

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

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

Income and expenses by program <i>for the year ended 30 June 2022</i>	Parliamentary Electoral Services		Non-Parliamentary Electoral Services		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	29 972	6 640	-	-	29 972	6 640
SA Government grants	1 846	-	-	-	1 846	-
Sales of goods and services	9	6	1 447	861	1 456	867
Fees and charges	131	2	-	-	131	2
Resources received free of charge	71	69	-	-	71	69
Other income	94	29	-	-	94	29
Total income	32 123	6 746	1 447	861	33 570	7 607
Expenses						
Employee benefits expenses	16 483	2 781	83	68	16 566	2 849
Supplies and services	15 964	2 576	623	261	16 587	2 837
Depreciation and amortisation	769	600	45	35	814	635
Other expenses	522	39	-	-	522	39
Total expenses	33 738	5 996	751	364	34 489	6 360
Net result	(1 615)	750	696	497	(919)	1 247

Electoral Commission of South Australia

Assets and liabilities by program <i>as at 30 June 2022</i>	Parliamentary Electoral Services		Non-Parliamentary Electoral Services		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Assets</u>						
Cash and cash equivalents	2 099	4 851	-	-	2 099	4 851
Receivables	641	235	371	100	1 012	335
Property, plant and equipment	2 505	828	-	-	2 505	828
Intangible assets	859	727	307	157	1 166	884
Total assets	6 104	6 641	678	257	6 782	6 898
<u>Liabilities</u>						
Payables	923	299	79	34	1 002	333
Financial liabilities	25	47	-	-	25	47
Employee benefits	860	618	-	-	860	618
Provisions	56	37	-	-	56	37
Other liabilities	210	315	-	-	210	315
Total liabilities	2 074	1 316	79	34	2 153	1 350
Net assets	4 030	5 325	599	223	4 629	5 548

1.3 Impact of COVID-19 pandemic on the Commission in 2021-22

The COVID-19 pandemic has significantly impacted on the Commission's conduct of the State election in 2021–22. The key impacts in 2021–22 were:

- The Commission developed effective election procedures, protocols, and materials to meet all requirements advised by SA Health.
- The temporary election workforce of 6000+ staff and the Commission's public sector staff worked considerable additional hours to deliver the State election on time. This was extensive in many polling booths and early voting centres, Returning Officers' premises, the central processing centre, and call centre. A new role - Hygiene Officer - was created for all polling booths and early voting centres.
- Election communications and advertising materials were supplemented with tailored messages regarding the measures implemented by the Commission to provide a COVID-Safe election for all staff and electors.
- In addition to specific materials (face masks, hand sanitiser, hygienic wipes, social distancing signage, etc), higher costs were experienced in many areas such as transport, ballot paper and other printing, and service contracts.
- The Commission rented supplementary office accommodation to provide appropriate social distancing between workstations for casual staff and contractors employed for the election. Similarly, a large central processing centre was rented to allow for appropriate social distancing throughout the election.
- The Commission implemented a variety of strategies that enabled any person in isolation due to COVID-19 to vote in the election. This included a program developed in conjunction with the South Australian Fire and Emergency Services Commission and SA Police that allowed electors impacted by COVID-19 the opportunity to collect ballot papers prior to the close of voting from COVID-19 testing and test collection sites.
- The financial impact of these changes to the conduct of the State election due the COVID-19 pandemic exceeded \$4 million compared with the original budget. Note 1.4 contains further details.

Electoral Commission of South Australia

1.4 Budget performance

The budget performance table compares the Commission's outcomes against budget information presented to Parliament (2021-22 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the Commission. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income		Original Budget 2022	Actual 2022	Variance 2022
	Ref.	\$'000	\$'000	\$'000
<u>Income</u>				
Appropriation		29 437	29 972	535
SA Government grants	(1)	-	1 846	1 846
Sales of goods and services		993	1 456	463
Fees and charges		-	131	131
Resources received free of charge		-	71	71
Other income		-	94	94
Total income		30 430	33 570	3 140
<u>Expenses</u>				
Employee benefits expenses	(2)	13 645	16 566	2 921
Supplies and services	(3)	13 976	16 587	2 611
Depreciation and amortisation		930	814	(116)
Borrowing costs		1	-	(1)
Other expenses		36	522	486
Total expenses		28 588	34 489	5 901
Net result		1 842	(919)	(2 761)
Total comprehensive result		1 842	(919)	(2 761)
<u>Investing expenditure summary</u>				
Investing expenditure summary		Original Budget 2022	Actual 2022	Variance 2022
	Ref.	\$'000	\$'000	\$'000
Existing projects: Electoral Amendment Reforms	(4)	2 412	2 892	480
Total annual programs		50	132	82
Total investing expenditure		2 462	3 024	562

- (1) The grant was received in November 2021 from the COVID-19 Support Fund for the COVID-SAFE conduct of the 2022 State election.
- (2) *Employee benefits expenses* were higher than original budget largely due to additional temporary election workforce and public sector staff hours worked during the conduct of the State election during the COVID-19 pandemic.
- (3) *Supplies and services* were higher than original budget also largely due to additional materials, transport, service contracts, contract labour, and other costs incurred during the conduct of the State election during the COVID-19 pandemic. In addition, higher costs were incurred for local government elections (which is offset by higher than budgeted revenues) and the Bragg by-election (which will be offset by appropriation to be received in 2022-23), higher than expected contract labour expenses for covering employee vacancies and absences, and higher ICT operating costs.

Electoral Commission of South Australia

- (4) The variance in *Investing expenditure* on State election hardware and software system developments was largely offset by the budget allocation carried-forward from 2020-21 (\$435 000). Additional expenditure was required for extra laptops for the new electronic roll mark-off capability delivered in all polling venues.

2. Income

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

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

2.1 Appropriation

	2022 \$'000	2021 \$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	29 972	6 640
Total appropriation	29 972	6 640

Appropriation is recognised on receipt.

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

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

No money has been appropriated in the form of an equity contribution.

Appropriation pursuant to the *Appropriation Act* consists of operational funding and funding for capital projects and annual programs. This appropriation comprises money issued and applied to the Commission as per Schedule 1 of the *Appropriation Act*.

No money appropriated for the Commission's purposes was issued to special deposit accounts or deposit accounts of other public authorities.

2.2 SA Government grants

	2022 \$'000	2021 \$'000
SA Government grants	1 846	-
Total SA Government grants	1 846	-

SA Government grants are recognised as income on receipt.

The grant was received in November 2021 from the COVID-19 Support Fund for the COVID-Safe conduct of the 2022 State election.

2.3 Sales of goods and services

	2022 \$'000	2021 \$'000
Council elections	571	236
Other council services	560	608
Commercial elections	316	17
Electoral rolls and maps	9	6
Total sales of goods and services	1 456	867

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

Electoral Commission of South Australia

Council elections and other services

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

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

Commercial elections

The Commission conducts elections for certain South Australian government bodies (in accordance with their legislation) and non-government organisations. These elections are conducted on a fee-for-service basis whereby the Commission recovers the cost of conducting those activities. Revenue is recognised in the period in which the goods are provided or the costs of services are incurred as the Commission's rights to consideration are unconditional. Accrued revenue arises when the election activity concludes after the end of the reporting period. Payment is due within 30 days of invoicing. No advance payments are received from customers.

Electoral rolls and maps

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

2.4 Fees and charges

	2022 \$'000	2021 \$'000
Forfeited candidate nomination deposits	126	-
Regulatory fees	5	2
Total revenues from fees and charges	131	2

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

The Commission is responsible for registration of political parties under the *Electoral Act*. That Act sets out the fees associated with registration. The registration fees are recognised when received.

2.5 Resources received free of charge

	2022 \$'000	2021 \$'000
Resources received free of charge from SA government agencies	71	69
Total resources received free of charge	71	69

Payroll and information technology and communications services

Resources received free of charge relate to payroll services provided by Shared Services SA and information technology and communications services provided by the Office for Technology business unit of the ICT and Digital Government Division of the Department of the Premier and Cabinet. Corresponding expenses have been recognised in Note 4.1.

Electoral Commission of South Australia

2.6 Other income

	2022 \$'000	2021 \$'000
Income received for research activities	4	28
Insurance recovery	90	-
Other miscellaneous income	-	1
Total other income	94	29

During the year the Commission received income to conduct and report on research activities relating to participation in council supplementary elections.

Computer equipment and other materials at the Commission's processing centre was damaged in a weather event on 26 January 2022. An insurance settlement, net of the deductible, has been accepted from the Commission's insurer, the South Australian Government Financing Authority (SAFA).

3. Key management personnel, committee members and employees

3.1 Key management personnel

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

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

The compensation disclosed in Note 3.3 and Administered Items Note 3A excludes salaries and other benefits the Attorney-General receives. The Attorney-General's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

There were no transactions with key management personnel.

3.2 Risk and Performance Committee members

Members during the 2022 financial year were:

- Patricia Christie
- John Dunnery
- Vladimir Malcik
- Nigel Stevenson
- Jacqui des Vages #

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

Committee members' remuneration

	2022 No.	2021 No.
The number of members whose remuneration received or receivable in relation to their membership of this Committee falls within the following bands:		
\$1 - \$19 999	4	5
Total number of members	4	5

The total remuneration received or receivable by members was \$9 000 (2021: \$7 000). Remuneration of members reflects sitting fees only.

Electoral Commission of South Australia

3.3 Employee benefits expenses

	2022 \$'000	2021 \$'000
Salaries and wages	13 889	2 433
Long service leave	113	(140)
Annual leave	220	144
Skills and experience retention leave	12	-
Employment on-costs - superannuation	1 388	236
Employment on-costs - payroll tax	776	139
Committee fees	9	7
Workers compensation	20	8
Other employee related expenses	139	22
Total employee benefits expenses	16 566	2 849

Long service leave

A significant decrease in the long service leave liability occurred from 2020 to 2021, which was caused by a combination of staff transfers to other agencies and the impact of an increase in the discount rate used by the Department of Treasury and Finance in the measurement of long service leave liability.

Employment on-costs - superannuation

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

Executive remuneration

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

Targeted voluntary separation packages

No targeted voluntary separation packages were paid.

3.4 Employee benefits liabilities

	2022 \$'000	2021 \$'000
<u>Current</u>		
Accrued salaries and wages	100	87
Annual leave	275	172
Long service leave	43	45
Skills and experience retention leave	18	6
Total current employee benefits	436	310
<u>Non-current</u>		
Long service leave	424	308
Total non-current employee benefits	424	308
Total employee benefits	860	618

Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Electoral Commission of South Australia

Long service leave

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

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the Commission's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the Commission. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability.

The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2021 (1.25%) to 2022 (3.50%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

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

4. Expenses

Employee benefits expenses are disclosed in Note 3.3.

4.1 Supplies and services

	2022	2021
	\$'000	\$'000
Rental accommodation	2 040	446
Advertising	1 954	60
Production and maintenance of electoral rolls	1 117	1 064
Printing and stationery	2 094	86
Postage	2 057	104
Information technology and communications	1 028	374
Education and research	97	49
Distribution, storage and hire rental	1 187	59
Training and development	34	27
Travel	83	5
Contractors and related expenses	969	81
Contract of services	2 724	192
Minor works, maintenance and equipment	367	146
Other	836	144
Total supplies and services	16 587	2 837

Accommodation

The Commission's head office, election processing centre, and call centre accommodation is provided by the Department for Infrastructure and Transport (DIT) under a Memorandum of Administrative Arrangement (MOAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of lease set out in AASB 16 *Leases*. Information about accommodation incentives relating to these arrangements is in Note 7.5.

Consultants

No consultancies were incurred in 2022 or 2021.

Electoral Commission of South Australia

Resources provided free of charge

Resources provided free of charge amounted to \$71 000 (2021: \$69 000) and were expensed at fair value. The resources provided relate to payroll services provided by Shared Services SA (which are included in *Contract of services* expense) and information technology and communications services provided by the Office for Technology business unit of the ICT and Digital Government Division of the Department of the Premier and Cabinet (which are included in *Information technology and communications* expense). The Commission is a non-billable client for these services. Corresponding income has been recognised in Note 2.5.

4.2 Depreciation and amortisation

	2022 \$'000	2021 \$'000
Leasehold improvements	239	240
Plant and equipment	237	52
Right-of-use motor vehicles	22	20
Intangible assets - Purchased computer software	80	118
Intangible assets - Internally developed computer software	236	205
Total depreciation and amortisation	814	635

4.3 Other expenses

	2022 \$'000	2021 \$'000
Derecognition of internally developed computer software costs	460	-
Audit fees paid/payable to the Auditor-General's Department	62	39
Total other expenses	522	39

Derecognition expense comprises internally developed computer software work in progress costs incurred in 2020–21 (\$226 000) and development expenditure incurred but not capitalised in 2021-22 (\$234 000).

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

5. Non-financial assets

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

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5.1 Property, plant and equipment

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

	2022 \$'000	2021 \$'000
<u>Leasehold improvements</u>		
Leasehold improvements at cost	1 211	1 211
Accumulated amortisation at the end of the period	(732)	(493)
Total leasehold improvements	479	718
<u>Plant and equipment</u>		
Plant and equipment at cost	3 525	1 351
Accumulated depreciation at the end of the period	(1 524)	(1 288)
Total plant and equipment	2 001	63
<u>Right-of-use motor vehicles</u>		
Right-of-use motor vehicles at cost	66	66
Accumulated depreciation at the end of the period	(41)	(19)
Total right-of-use motor vehicles	25	47
Total property, plant and equipment	2 505	828

Useful life and depreciation

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

Class of asset	Useful life (years)
Leasehold improvements	5 - 9
Plant and equipment	3 - 10
Right-of-use motor vehicles	3 (lease term)

Review of accounting estimates

Assets' residual values, useful lives and depreciation periods and methods are reviewed and adjusted, if appropriate, on an annual basis. No changes in the residual value, expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset were made during the year.

Property, plant and equipment owned by the Commission

Property, plant and equipment owned by the Commission with a value equal to or in excess of \$10 000 is capitalised; otherwise it is expensed. Property, plant and equipment owned by the Commission is subsequently measured at fair value.

No items of property, plant and equipment have been revalued.

Right-of-use motor vehicles leased by the Commission

Right-of-use motor vehicles leased by the Commission as lessee are measured at cost.

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

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<i>Reconciliation 2021-22</i>	Leasehold improve- ments \$'000	Plant and equipment \$'000	Right-of- use motor vehicles \$'000	Tangible assets total \$'000
Carrying amount at the beginning of the period	718	63	47	828
Acquisitions	-	2 200	-	2 200
Disposals	-	(25)	-	(25)
Depreciation & amortisation	(239)	(237)	(22)	(498)
Carrying amount at the end of the period	479	2 001	25	2 505

5.2 Intangible assets

	2022 \$'000	2021 \$'000
<u>Purchased computer software</u>		
Purchased computer software	644	472
Accumulated amortisation at the end of the period	(478)	(398)
Total purchased computer software	166	74
<u>Internally developed computer software</u>		
Internally developed computer software	1 538	1 022
Internally developed computer software - Work in progress	313	403
Accumulated amortisation at the end of the period	(851)	(615)
Total internally developed computer software	1 000	810
Total intangible assets	1 166	884

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

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

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

The internally developed computer software relates to the Commission's state and council election management and operating systems.

Amortisation is calculated on a straight-line basis. Intangible assets amortisation is calculated over the estimated useful life of 3 - 5 years.

<i>Reconciliation 2021-22</i>	Purchased computer software \$'000	Internally developed computer software \$'000	Intangible assets total \$'000
Carrying amount at the beginning of the period	74	810	884
Acquisitions	172	652	824
De-recognition	-	(226)	(226)
Amortisation	(80)	(236)	(316)
Carrying amount at the end of the period	166	1 000	1 166

Electoral Commission of South Australia

During 2021-22 the Commission determined that certain computer software development costs no longer met the recognition criteria for intangible assets. Costs included in *Internally developed computer software - Work in progress* at 30 June 2021 amounting to \$226 000 have been de-recognised as intangible assets as it was no longer the Commission's intention to complete those software modules or as no future economic benefits were expected from their use. No retrospective adjustments have been made to the financial statements.

6. Financial assets

6.1 Categorisation of financial assets

	2022 Carrying Amount \$'000	2021 Carrying Amount \$'000
Financial assets		
Cash and cash equivalents		
Cash and cash equivalents	2 099	4 851
Financial assets at amortised cost		
Receivables (<i>contractual from non-government entities</i>)	-	-
Total financial assets	2 099	4 851

Receivables as disclosed in this note do not include statutory amounts as these are not financial instruments.

6.2 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Deposits with the Treasurer (Special Deposit Accounts)	2 097	4 850
Cash on hand	2	1
Total cash and cash equivalents	2 099	4 851

Deposits with the Treasurer

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

The Commission does not earn interest on its deposits with the Treasurer.

The Commission has two deposit accounts with the Treasurer: a general operating account and an Accrual Appropriation Excess Funds Account.

Although the Commission controls the money in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer.

6.3 Receivables

	2022 \$'000	2021 \$'000
Contractual receivables		
From government entities	769	139
Total contractual receivables	769	139
Statutory receivables		
GST input tax recoverable	128	73
Total statutory receivables	128	73
Prepayments	115	123
Total current receivables	1 012	335

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

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes. The net amount of GST payable to the ATO is included as part of receivables.

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

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

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

No allowance for impairment loss on receivables is presently required.

7. Liabilities

Employee benefits liabilities are disclosed in Note 3.4.

7.1 Categorisation of financial liabilities

	2022 Carrying Amount \$'000	2021 Carrying Amount \$'000
Financial liabilities		
Financial assets at amortised cost		
Payables (<i>contractual to non-government entities</i>)	746	160
Lease liabilities (<i>right-of-use motor vehicles</i>)	25	47
Total financial liabilities	771	207

Payables as disclosed in this note do not include accrued expenses or statutory amounts as these are not financial instruments.

7.2 Payables

	2022 \$'000	2021 \$'000
Current		
Contractual payables		
From government entities	55	20
From non-government entities	54	100
Accrued expenses	799	150
Total contractual payables	908	270
Statutory payables		
Employment on-costs	66	43
Total statutory payables	66	43
Total current payables	974	313
Non-current		
Statutory payables		
Employment on-costs	28	20
Total non-current payables	28	20
Total payables	1 002	333

Electoral Commission of South Australia

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

Statutory payables do not arise from contracts.

The net amount of GST recoverable from the ATO is included as part of receivables in Note 6.3. However, if a net GST payable arises then this amount would be disclosed as a statutory payable in this note.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

7.3 Financial liabilities

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Lease liabilities - Right-of-use motor vehicles	22	22
Total current financial liabilities	22	22
<u>Non-current</u>		
Lease liabilities - Right-of-use motor vehicles	3	25
Total non-current financial liabilities	3	25
Total financial liabilities	25	47

Financial liabilities are measured at amortised cost.

7.4 Provisions

	2022	2021
	\$'000	\$'000
<u>Current</u>		
Provision for Workers Compensation	17	13
Total current provisions	17	13
<u>Non-current</u>		
Provision for Workers Compensation	39	24
Total non-current provisions	39	24
Total provisions	56	37

Movement in provisions

Carrying amount at the beginning of the period	37	31
Increase in provisions recognised	19	6
Carrying amount at the end of the period	56	37

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

Electoral Commission of South Australia

7.5 Other liabilities

	2022	2021
	\$'000	\$'000
Current		
Office accommodation incentive	105	105
Total current other liabilities	105	105
Non-current		
Office accommodation incentive	105	210
Total non-current other liabilities	105	210
Total other liabilities	210	315

Office accommodation incentive liabilities relate to arrangements with DIT for head office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. DIT has provided a fit-out free of charge in 2019-20, which was recognised as a *Leasehold improvement*. The benefit of this incentive is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

8. Outlook

8.1 Unrecognised commitments

Commitments arising from contractual sources and are disclosed at their nominal value.

Contractual commitments to acquire property, plant and equipment and intangible assets

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

Operating expenditure commitments

	2022	2021
	\$'000	\$'000
Within one year	865	697
Later than one year but not later than five years	2 092	2 094
Later than five years	524	1 059
Total operating expenditure commitments	3 481	3 850

8.2 Contingent assets and liabilities

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

8.3 Events after the reporting period

No events have occurred between 30 June 2022 and the date the financial statements are authorised that may have a material impact on the results of subsequent years.

Electoral Commission of South Australia

Administered Items

Administered Financial Statements

Statement of Administered Comprehensive Income

for the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
<u>Administered income</u>		
Revenues from SA Government	7 668	937
Fees and charges	87	125
Interest	1	1
Total administered income	7 756	1 063
<u>Administered expenses</u>		
Employee benefits expenses	530	579
Supplies and services	7 072	582
Payments to consolidated account	87	125
Total administered expenses	7 689	1 286
Net result	67	(223)
Total comprehensive result	67	(223)

The accompanying notes form part of these financial statements.

Electoral Commission of South Australia

Administered Items

Statement of Administered Financial Position

as at 30 June 2022

	2022 \$'000	2021 \$'000
<u>Administered current assets</u>		
Cash and cash equivalents	350	329
Receivables	155	350
Total administered current assets	505	679
Total administered assets	505	679
<u>Administered current liabilities</u>		
Payables	20	63
Employee benefits	93	108
Total administered current liabilities	113	171
<u>Administered non-current liabilities</u>		
Payables	2	14
Employee benefits	40	211
Total administered non-current liabilities	42	225
Total administered liabilities	155	396
Net administered assets	350	283
<u>Administered equity</u>		
Accumulated surplus	350	283
Total administered equity	350	283

The accompanying notes form part of these financial statements.

Electoral Commission of South Australia

Administered Items

Statement of Administered Cash Flows

for the year ended 30 June 2022

	2022 \$'000	2021 \$'000
Cash flows from operating activities		
<i>Cash inflows</i>		
Receipts from SA Government	7 864	916
Fees and charges	86	137
Interest received	1	1
GST recovered from the ATO	13	19
Cash generated from operations	7 964	1 073
<i>Cash outflows</i>		
Employee benefits payments	(726)	(558)
Payments for supplies and services	(7 131)	(559)
Payments to consolidated account	(86)	(137)
Cash used in operations	(7 943)	(1 254)
Net cash provided by/(used in) operating activities	21	(181)
Net increase/(decrease) in cash and cash equivalents	21	(181)
Cash and cash equivalents at beginning of the period	329	510
Cash and cash equivalents at the end of the period	350	329

The accompanying notes form part of these financial statements.

Schedule of Income and Expenses Attributable to Administered Activities

for the year ended 30 June 2022

	Electoral Districts Boundaries Commission		Special Acts <i>(Salaries and allowances for statutory officers)</i>		Other <i>(see details of composition in Note A2)</i>		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered income								
Revenues from SA Government	193	29	530	504	6 945	404	7 668	937
Fees and charges	-	-	-	-	87	125	87	125
Interest	1	1	-	-	-	-	1	1
Total administered income	194	30	530	504	7 032	529	7 756	1 063
Administered expenses								
Employee benefits expenses	-	75	530	504	-	-	530	579
Supplies & services	127	178	-	-	6 945	404	7 072	582
Payments to consolidated account	-	-	-	-	87	125	87	125
Total administered expenses	127	253	530	504	7 032	529	7 689	1 286
Net result	67	(223)	-	-	-	-	67	(223)

Electoral Commission of South Australia

Administered Items

Notes to Administered Financial Statements

A1 Basis of preparation and accounting policies

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

A2 Objectives/activities of the Commission's Administered Items

The Commission's administered items are structured to contribute to three main items, namely:

- **Electoral Districts Boundaries Commission**
The Commission administers the receipts and payments of the Electoral Districts Boundaries Commission.
- **Special Acts**
The Electoral Commissioner, Deputy Electoral Commissioner, and Acting Deputy Electoral Commissioner are appointed as statutory officers pursuant to the provisions of the *Electoral Act*. The Commission receives a separate appropriation for the payment of salaries and allowances for statutory officers which is an administered item.
- **Other**
Other includes administered revenue which is collected on behalf of other government agencies and forwarded to them when received. Administered income (*Fees and charges*) comprises non-voter expiation fees received as provided in the *Electoral Act*. Administered expenses includes the payment of those expiation fees received into consolidated account (Department of Treasury and Finance). Other also includes payments provided in the *Electoral Act* for Special Assistance Funding claims for reimbursement of administrative costs incurred by registered political parties with parliamentary representation and for payment of Public Funding claims for election campaigns for registered political parties and candidates.

A3 Remuneration of Statutory Officers employed pursuant to the Electoral Act

	Ref.	2022 No.	2021 No.
The number of statutory officers whose remuneration received or receivable falls within the following bands:			
\$7 001 to \$27 000	(1)	1	-
\$247 001 to \$267 000		-	1
\$287 001 to \$307 000		-	1
\$327 001 to \$347 000		1	-
\$427 001 to \$447 000	(2)	1	-
Total		3	2

The total remuneration received by these statutory officers for the year was \$779 000 (2021: \$548 000).

- (1) The Acting Deputy Electoral Commissioner's appointment commenced on 26 May 2022. The band and remuneration above reflect the five week period to 30 June 2022.
- (2) The Deputy Electoral Commissioner commenced long term leave on 21 May 2022. The band and remuneration above include leave paid in advance of \$193 000.

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

Electoral Commission of South Australia

Administered Items

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

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

A4 Budget performance of Administered Items

Statement of Comprehensive Income	Ref.	Original Budget 2022 \$'000	Actual 2022 \$'000	Variance 2022 \$'000
<u>Administered income</u>				
Revenues from SA Government	(1)	1 176	7 668	6 492
Fees and charges	(2)	-	87	87
Interest		-	1	1
Total administered income		1 176	7 756	6 580
<u>Administered expenses</u>				
Employee benefits expenses		504	530	26
Supplies and services	(3)	672	7 072	6 400
Payments to consolidated account	(2)	-	87	87
Total administered expenses		1 176	7 689	6 513
Net result		-	67	67

Administered investing expenditure

There was no budgeted or actual administered investing expenditure in the year ended 30 June 2022.

- (1) *Revenues from SA Government* were higher mainly due to appropriation received for Public Funding claims following the State election.
- (2) Expiation fees received from electors that failed to vote at parliamentary State or by-elections are not included in budget estimates. Receipts amounted to \$87 000 in 2021-22 and were remitted to consolidated account.
- (3) *Supplies and services* expenses were higher than original budget due to unbudgeted Public Funding claims following the State election (\$6 524 000), partly offset by lower Special Assistance Funding claims paid to qualifying political parties (\$81 000) due to some parties not claiming the maximum amount, and lower expenditure by the Electoral Districts Boundaries Commission (\$43 000).