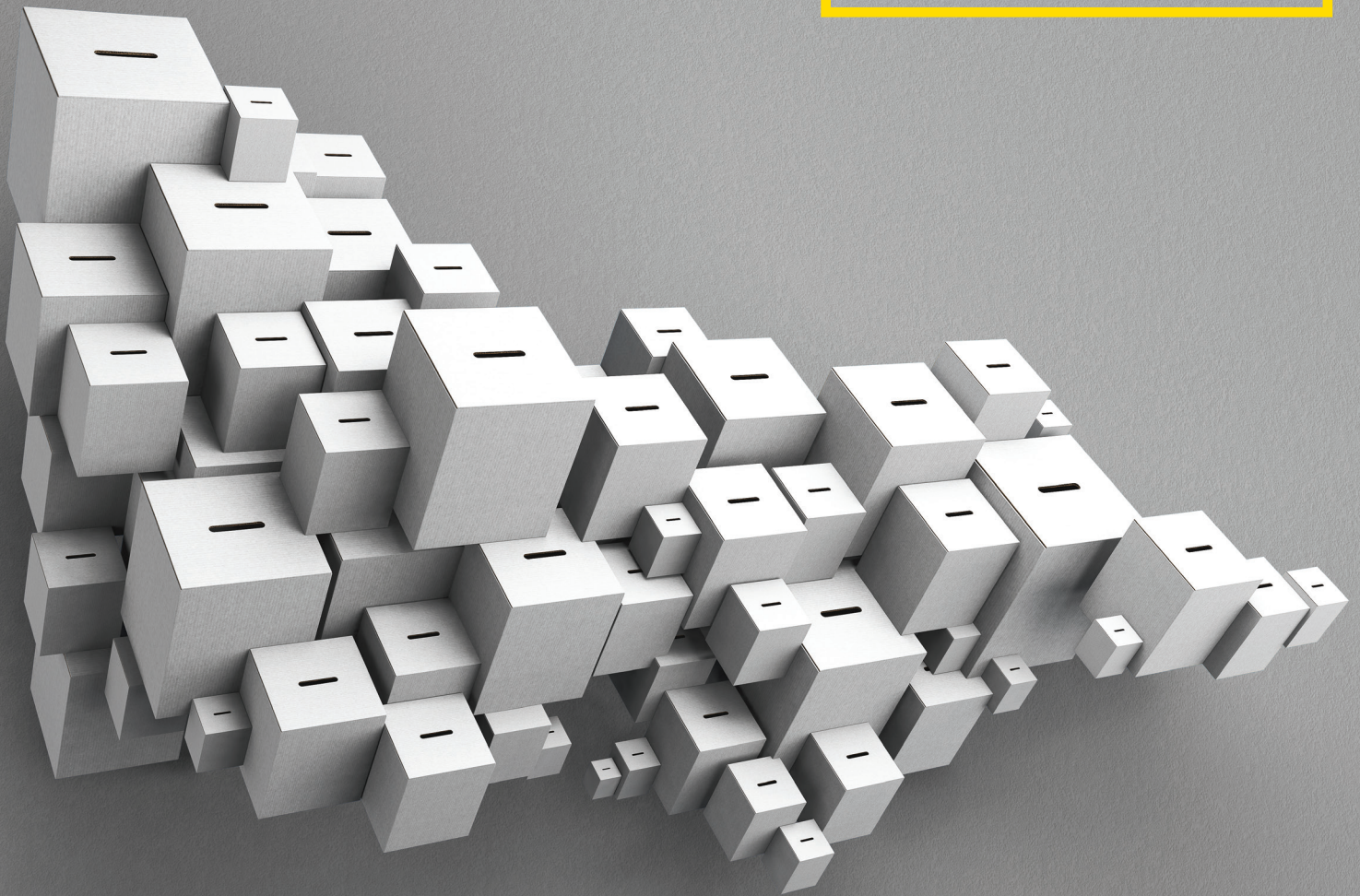


ANNUAL REPORT  
2013-14

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YOUR VOTE  
WILL HELP  
SHAPE VICTORIA





**Victorian Electoral Commission**

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Melbourne Vic 3000

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Monday – Friday

# OUR HIGHLIGHTS

- ELECTORAL EVENT PLANNING FRAMEWORK DEVELOPED TO ENSURE VISIBILITY, CONSISTENCY AND ACCOUNTABILITY (PAGE 38)
- UNQUALIFIED REPORT OF 2013-14 FINANCIAL STATEMENTS FROM VICTORIAN AUDITOR-GENERAL (PAGE 111)
- BUDGETING PROCESSES REVIEWED AND REALIGNED FOR VEC-WIDE CONSISTENCY (PAGE 10)
- PROPORTION OF ELIGIBLE ELECTORS ENROLLED – 93.74%, UP FROM 92.68% IN 2012-13, AND 1.34 PERCENTAGE POINTS ABOVE NATIONAL AVERAGE (PAGE 48)
- PROJECT MANAGEMENT FRAMEWORK DEVELOPED AND IMPLEMENTED, WITH 51 STAFF COMPLETING TRAINING (PAGE 30)
- 2014 STATE ELECTION MARKETING COMMUNICATION PLAN DEVELOPED AND IMPLEMENTATION COMMENCED (PAGE 57)
- NEW STAFF PERFORMANCE AND DEVELOPMENT PROGRAM DEVELOPED AND IMPLEMENTED (PAGE 62)
- VEC-DEVELOPED SOFTWARE BOUNDARYMAKER PROVIDED TO THE WESTERN AUSTRALIAN, QUEENSLAND AND NORTHERN TERRITORY ELECTORAL COMMISSIONS TO ASSIST WITH THE CONDUCT OF UPCOMING ELECTORAL REDISTRIBUTIONS (PAGE 58)
- VEC ANNUAL REPORT 2012-13 ACHIEVES GOLD AT THE 2014 AUSTRALASIAN REPORTING AWARDS (PAGE 30)
- VEC EFFICIENCY GAINS ONCE AGAIN HIGHLIGHTED IN THE STATE GOVERNMENT REPORT, DOING SUSTAINABILITY (PAGE 25)
- PASSPORT TO DEMOCRACY PROGRAM DELIVERED TO 5,417 STUDENTS IN 90 TAFES AND SCHOOLS (PAGE 55)
- NINE CIVICS EDUCATION PROFESSIONAL DEVELOPMENT SESSIONS HELD WITH 75 TEACHERS AND PRE-SERVICE TEACHERS AROUND VICTORIA (PAGE 55)

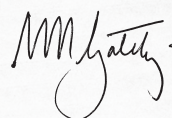
## LETTER OF TRANSMITTAL

The Hon. Robert Clark, MP  
Attorney-General  
L26, 121 Exhibition St  
Melbourne Vic 3000

Dear Attorney

In accordance with the requirements of the *Financial Management Act 1994*, I am pleased to submit the Annual Report of the Victorian Electoral Commission for the year ending 30 June 2014 for presentation to Parliament. Also included is the Report of the Electoral Boundaries Commission for the year ending 30 June 2014.

Yours sincerely



Warwick Gately AM  
Electoral Commissioner



# FAST FACTS

Fast facts	2012-13	2013-14
Enrolled electors at 30 June	3,662,957	3,766,046
Voting-eligible population enrolled (estimated)	92.68%	93.74%
Staff (FTE) at 30 June (including casual staff)	75.0	92.6
Training days per FTE	1.10	2.55
Lost time claims	0	2
State elections (88 District, 8 Region)	0	0
State by-elections	2	0
Local government elections	78	0
Local government by-elections	1	7
Local government countbacks	7	10
Liquor licencing polls	5	7
Other statutory and fee-for-service elections	10	9
Local government representation and subdivision reviews	0	0

Financial fast facts	2012-13 (\$,000)	2013-14 (\$,000)
Special appropriation	40,245	23,062
Total expenses from transactions	41,663	24,987
Net result from transactions	(1,418)	(1,925)
Net result for the period	(1,411)	(1,936)
Net cash flow from/(used in) operating activities	4	(1)
Total assets	10,471	11,520
Total liabilities	3,020	3,675

Note: These figures should be read in conjunction with the report of operations and the notes accompanying the audited financial statements.

## Operational and budgetary objectives and performance against objectives

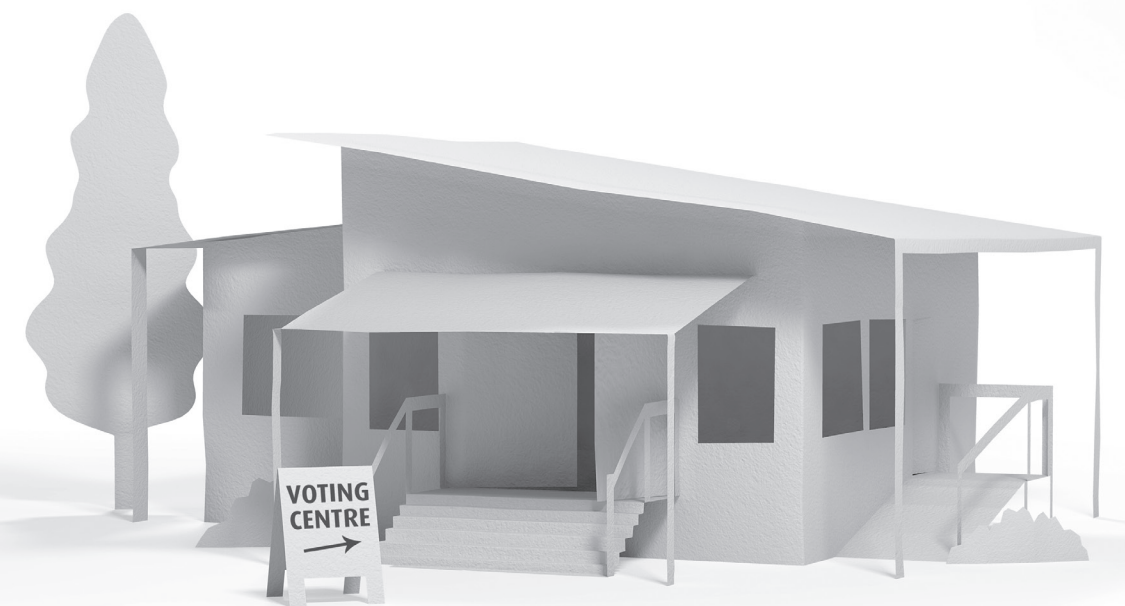
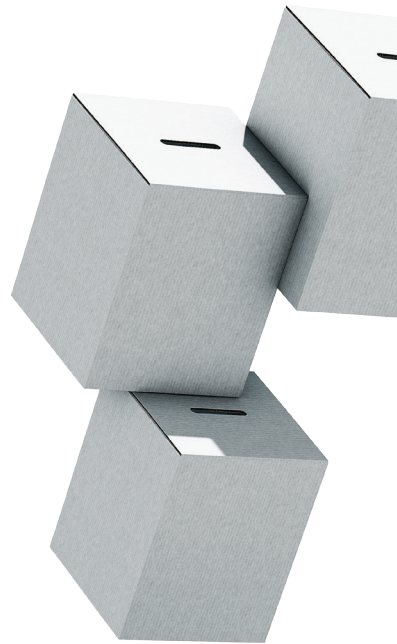
The VEC has a number of performance measures that relate specifically to Budget Paper Number 3 Service Delivery (BP3). In accordance with the Department of Treasury and Finance, Financial Reporting Directions (FRD), the following table provides details of the output report provided by the VEC to the Government, including performance measures and targets for agreed outputs, and the actual performance results for the VEC over the full year ending 30 June 2014 (see Figure 1).

Figure 1: Performance against budgetary objectives

	Unit	2013-14 BP3 Target	June YTD Actual	% variance
State elections, municipal and statutory elections, by-elections, countbacks and polls	number	24	33 <sup>†</sup>	+38%
Challenges to VEC conduct upheld in Court	number	0	0	0.00%
Elector enrolment changes and new enrolments processed within set timeframes	per cent	98%	100% <sup>†</sup>	+2.00%

<sup>†</sup>Note: The number of Local Government by-elections and countbacks was higher than anticipated. These electoral events are triggered when a sitting councillor resigns, passes away or (as happens on rare occasions) is removed from office. The nature of these triggers means that accurate estimates are impossible. The VEC develops its estimates based on historical data to help ensure adequate resource planning.

<sup>†</sup>Further streamlining of enrolment processes and procedures along with continuing implementation of direct enrolment legislation have contributed to a 100% performance result in this area. This objective will be reviewed in 2014-15.



# ABOUT THE VEC

## Our vision

All Victorians actively participating in their democracy

## Our Purpose

To deliver high quality, accessible electoral services with innovation, integrity and independence

## Our values

- Independence: acting with impartiality and integrity
- Accountability: transparent reporting and effective stewardship of resources
- Innovation: shaping our future through creativity and leadership
- Respect: consideration of self, others and the environment
- Collaboration: working as a team with partners and communities

## Our history and functions

Elections for the Victorian Parliament began when Victoria achieved independence from New South Wales in 1851. In 1910, Victoria's first Chief Electoral Inspector was appointed to head the new State Electoral Office.

The State Electoral Office existed as part of a public service department for 70 years. However, it became increasingly clear that it was inappropriate for the conduct of elections to be subject to ministerial direction. On 1 January 1989, legislation established the independent statutory office of Electoral Commissioner who was to report to Parliament instead of a Minister. In 1995, the State Electoral Office was renamed the Victorian Electoral Commission (VEC).

The VEC's functions and operations are governed by six main pieces of legislation:

*Electoral Act 2002:* establishes the VEC as an independent statutory authority, sets out the functions and powers of the VEC and prescribes processes for State elections

*Constitution Act 1975:* sets out who is entitled to enrol as an elector, who is entitled to be elected to Parliament, and the size and term of Parliament

*Financial Management Act 1994:* governs the way the VEC manages finances and financial reporting

*Electoral Boundaries Commission Act 1982:* governs the determination of State electoral boundaries. Under this legislation, the Victorian Electoral Commissioner is nominated as a member of the Electoral Boundaries Commission

*Local Government Act 1989:* provides for the conduct of local government elections and electoral representation reviews

*Infringements Act 2006:* provides for stages 2 and 3 of compulsory voting enforcement.

Subject to these acts, the VEC maintains the electoral enrolment register, conducts State elections, local government elections, statutory elections, commercial and community elections, and electoral boundary reviews. Electoral research and the provision of communication and education services that inform Victorians and engage them in the democratic process also form part of the VEC's operations. A list of legislation and regulations governing the VEC is included as Appendix B.

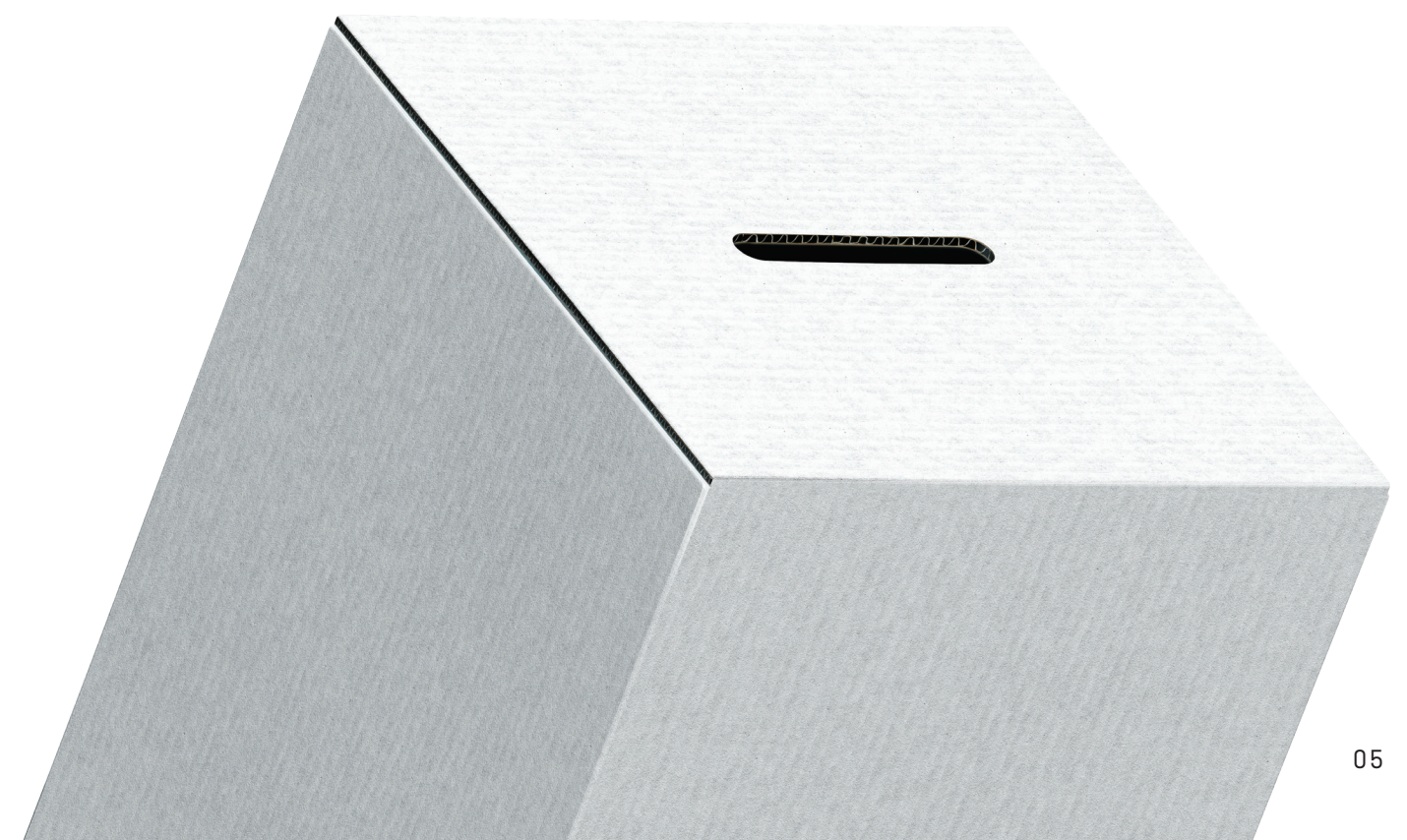
The VEC works closely with a range of advisory groups and community groups that provide information about ways to increase participation in the electoral system.

## Our people and partners

The VEC has a core staff of dedicated and highly skilled people whose specialised knowledge ensures the success of its operations. The VEC also draws on the experience and expertise of a number of associated personnel, such as election officials and contractors, to complement the work of its core staff at times of peak activity. Valued partnerships with suppliers also contribute greatly to the VEC's achievements.

The VEC works closely with a range of advisory groups and community groups that provide information about ways to increase participation in the electoral system. These groups include those representing or providing services for youth, people experiencing homelessness, people with disabilities, culturally and linguistically diverse communities and Traditional Owners. The VEC thanks these people and organisations for their contributions to its work during 2013-14.

The VEC pays respect to Victoria's traditional owners and their elders past and present who have been custodians of this country for many thousands of years. Their living culture and their role in the life of Victoria is acknowledged by the VEC.





# ABOUT THIS REPORT

This report provides a summary of programs and initiatives implemented to meet the key objectives set out in the Strategic Plan 2013-14 to 2017-18.

The report outlines efforts to meet the strategic intents identified in the Plan, presenting a report on the progress of Strategic Initiatives, a narrative of work and presentation of key results achieved by the VEC in 2013-14.

This report has been published in accordance with Financial Reporting Direction (FRD) 30A. As part of the VEC's environmental sustainability activity, only the necessary number of copies of this report was printed, and once again environmentally friendly paper and printing were used.

## Contents

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### Our year

In this section, the Electoral Commissioner, Mr Warwick Gately AM provides a summary of key activities and achievements for 2013-14, and the outlook for 2014-15. The coming year includes the conduct of the 2014 State election.

Finance manager, Mr Matthew Beattie provides an overview of the VEC's financial performance.

A summary of achievements against the VEC's strategic initiatives is also included in this section.

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### Our Commission

Good corporate governance and transparent reporting help ensure continued public confidence in the VEC and its processes.

Effective corporate systems enabled the VEC to deliver its core business and operate effectively and efficiently on a day-to-day basis.

The VEC prides itself on its accountability to the Victorian public and the Parliament. Good corporate citizenship is evidenced by its performance in areas such as diversity, sustainability, information management and reporting.

The 2013-14 year realised the commencement of a new five-year strategic plan that directs attention to consistent and cohesive organisational planning, good governance and administration and excellence in the planning and provision of electoral services.

Governance and organisational structures, as well as internal and external advisory groups, are detailed in this section.

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### Our core business

The VEC's core business includes the conduct of elections, maintenance of the enrolment register and ensuring fair and equitable representation for electors at State and local government levels.

With all elections conducted in accordance with legislation, the VEC maintained its record of no elections being overturned as a result of VEC error.

Preparations for the next major cyclical event – the 2014 State election, and project work in support of priority strategic initiatives during 2013-14 will help the VEC to realise its vision of all Victorians actively participating in their democracy.

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### Our voters

One of the VEC's key strategic intents is the continued accuracy, integrity and security of the enrolment register.

The VEC's direct enrolment program was expanded and 246,362 electors were enrolled or their details updated under this legislation during 2013-14.

The VEC once again exceeded its target in relation to the proportion of enrolment transactions sourced through VEC programs achieving 37.95% against a target of 25%.

This section includes details of the VEC's efforts to inform and engage electors as voters and candidates, and to assist them to vote and do so correctly.

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### Our people

The VEC aims to provide staff with the environment and opportunity to learn and thrive on a personal and professional level.

A new performance and development system was successfully implemented during 2013-14. Staff attended a range of development programs to address identified needs as a result of the performance planning process.

Workforce and Occupational Health and Safety statistics are also included in this section.

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### Audited financial statements

The VEC is pleased to provide value for money electoral services to the Victorian public. Once again, the VEC's sound financial management is evidenced by another unqualified report from the Auditor-General. This section provides the VEC's audited financial statements for 2013-14.

**Appendices** 113

**Glossary** 137

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The report can be read and downloaded at [vec.vic.gov.au](http://vec.vic.gov.au).

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Look for this logo for highlights of our preparations for the 2014 State elections.



# OUR YEAR

*“The VEC is fortunate in having an experienced and dedicated team with a genuine interest in election operations, and in providing every Victorian with an equal opportunity to be involved, whether in a Parliamentary, local government or community association election.”*

**Warwick Gately AM**  
Electoral Commissioner



In this past year there has been an increasing focus and commentary on the conduct, mechanics and integrity of elections, accentuated in large part by the requirement to repeat the Senate election in Western Australia.

This is relevant to the VEC, entrusted with the responsibility to conduct Victorian parliamentary and local government elections in a way that is compliant, accurate, timely, free and fair and in which all Victorians can confidently participate.

Yet the delivery of efficient and effective election services within a strict regulatory regime just doesn't happen and requires skilled staff, strong management, good governance and controlled resourcing. While this report describes the year's election operations, related activities and intentions, it also informs on the arrangements and programs within the VEC that make the agency work.

While election activity has been steady, including advancing preparations for the November 2014 State election, much has also been achieved within the VEC. Governance, planning, systems development, organisational culture and staff performance and development have all received attention. The strengthening of these foundations has the VEC very well placed to continue delivering election services to a high standard, now and into the future.

## Good governance and consistent financial management

The manner by which the VEC operates, its processes, structure and accountability arrangements are mature and effective. Business management practices and controls, along with compliance and reporting obligations were subject to review, with internal and external auditing identifying a small number of areas requiring corrective action. The Audit Committee was central to these reviews and their advice during the year on compliance matters generally and risk in particular was most welcome. These practices and consistent financial management have once again resulted in an unqualified report from the Auditor General and a budget result in line with performance outputs.

## Consistency and discipline in planning

The commencement of a new five year strategic plan provided the VEC with the direction to navigate an increasingly complex and challenging operating environment. In developing this plan, the VEC's enduring vision to have all Victorians actively participating in their democracy was reaffirmed and a number of strategic initiatives identified for implementation over the life of the plan. Already several of the initiatives are nearing completion; high level electoral event plans have been documented; a project management framework, incorporating all staff training has been implemented and an improved staff performance and development system put in place. Also the VEC's financial management and budgeting process has been reviewed and work commenced in mapping key business processes. As the five year strategic plan is implemented, branch plans are being developed and direct links created between individual performance targets and the corporate vision. This consistency and discipline in planning is integral to the VEC's management system.

## Revitalised approach to reviewing staff achievement

The VEC is fortunate in having an experienced, dedicated and stable workforce to manage election projects and supplier relationships critical to the delivery of the 2014 State election. Also, the availability of an experienced casual workforce to assist with particular short term projects has been invaluable.

With staff a focus, the conclusion of a cultural re-alignment program involving the Management Group and focused on lifting the Commission's performance was timely considering the peak activity facing all staff. While associated staff surveys identified the VEC as a productive and attractive workplace, some improvements with respect to staff engagement, communication and roll clarity were necessary and addressed at Branch level.

Also, workforce management was addressed with the introduction of an improved performance and development process and a revitalised approach to reviewing staff achievements and behaviours and in providing meaningful counsel.

The important and at times difficult role played by VEC people managers as "middle management" was acknowledged and a People Management Mastery Program created to educate and assist this group on the essentials of leadership and its application in the workplace. Early responses to this program have been positive.

## Programs and services

Information and communication technology (ICT) systems play an increasingly important role in the functioning of the VEC and in the delivery of election related programs and services. As one example, the redevelopment of the Election Management System (EMS) as a significant and costly long term project focused the attention of the Development Project Board during the year with the continuing review of project achievement against the original objectives and a strict discipline over cost and time schedules. While several EMS modules are on time for delivery for the State election, it is anticipated that the project will complete in 2016.

Other large projects progressed during the year and now nearing completion include vVote (electronically assisted voting), Aurion (personnel management system) and the Website redevelopment. While enhanced ICT systems enable the more efficient delivery of services to the elector there are associated risks and a review of the VEC's disaster recovery arrangements and business continuity plans was undertaken and mitigation strategies advanced.

## Working with others

Engagement with our many partners has been extensive during the year. The VEC has appeared before the Electoral Matters Committee on three occasions, contributing to their inquiry into the use and regulation of social media in electoral activities. A government directed review of local government elections and representation review processes was also supported through the provision of expert advice and technical information. The convening of several advisory groups over the year allowed the VEC to remain informed of the continuing needs and concerns of these specific groups and to involve them in election planning.

Activity with other jurisdictions was principally through the meetings of the Electoral Council of Australia and State and Territory Electoral Commissioners where matters of common interest were considered and collaborative projects initiated. This also extended to the provision of staff to assist with the South Australian State election and having observers present in Tasmania for that State election.

The specific collaboration with the New South Wales Electoral Commission in the Electoral Regulation Research Network continued its success with 14 seminars held in Melbourne and Sydney during the year, and the network expanded into Western Australia.

As to Victorian election activities, 33 local government by-elections, count backs, liquor licensing polls and commercial elections were conducted without incident in the year.

## Challenges going forward

As this report is published, the VEC will be immersed in preparations for the 2014 State election. This event and its subsequent assessment and analysis will occupy most of the next reporting period and when combined with local government representation reviews commencing in early 2015, will require the VEC's full attention.

Around these two activities, work to implement the strategic plan will continue. A corporate reporting framework will be developed and a long term asset improvement and replacement schedule will be prepared and implemented. Also core competency training will be provided to staff in ensuring the VEC's future needs are met.

The unrelenting advances in technology and information dissemination will require a response. While completion of the EMS development will provide the VEC stability in election support for at least the next 10-15 years, the State's roll management system, a significant data base, will need to be replaced in the near term. The vVote system, providing a form of electronic voting to particular categories of electors, will need to be reviewed and consideration given to allowing expanded access as a possible policy response to mooted changes to the operations of Australia Post and the decline in traditional mail services. Internet based services will require expansion as electors increasingly look for information and to engage with the VEC online.

## A most valuable resource

In delivering election services to the community the important role played by staff cannot be underestimated. The VEC is fortunate in having an experienced and dedicated team with a genuine interest in election operations and in providing every Victorian with an equal opportunity to be involved whether a Parliamentary, local government or community association election. The VEC team has again proven resourceful and responsive which augurs well for the approaching 2014 State election. I thank all the VEC staff for their support and contribution during the year and particularly the Management Group for their considered advice and personal commitment to ensuring the VEC remains a leader in election administration.

**Warwick Gately AM**  
Electoral Commissioner



# OUR FINANCIAL YEAR

## Overview

The VEC has once again received an unqualified report from the Auditor-General, who states that, "The financial report presents fairly, in all material respects, the financial position of the Victorian Electoral Commission as at 30 June 2014 and of its financial performance and its cash flows for the year, in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*."

A five-year summary of the VEC's financial performance is set out in Figure 2. Full financial details for 2013-14 are outlined in the Financial Statements.

A major electoral event, either Parliamentary (State) or local government (council) elections occur every two years, with other events conducted throughout the four-year cycle. The amount of Special Appropriation and expenses from transactions fluctuates in direct correlation with the cyclical nature of electoral activity.

## Major activity 2013-14

Internally, the VEC monitors its expenditure, fees and charges based on core services and electoral activity outputs. Three components comprise the major electoral activity for 2013-14:

- support to the Electoral Boundaries Commission for the 2012-2013 State redivision
- preparations for the 2014 State election
- redevelopment of the Election Management System.

As part of the VEC's strategic initiatives, all budgeting processes were reviewed and re-aligned to ensure VEC-wide consistency and sound financial management.

## Revenue

The VEC's appropriation decreased in 2013-14 due to there being no major elections. A substantial increase is expected in 2014-15, due to the conduct of the State election.

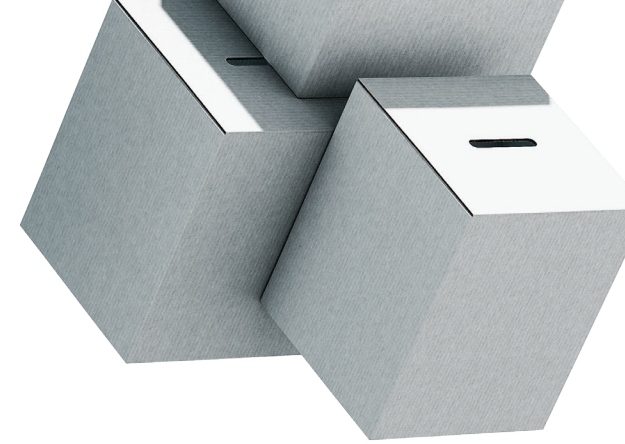
The VEC collects revenue from charges for the conduct of local government elections and by-elections, fee for service elections, representation reviews, State and local government election and liquor licencing polls, compulsory voting enforcement fines, and all other fees and charges, which are not included in the VEC Comprehensive Operating Statement and Balance Sheet. This revenue is included as a note to the accounts, Note 3 'Administered (non-controlled) items'.

Revenue collected by the VEC on behalf of the State is forwarded to the Department of Treasury and Finance as consolidated revenue. Receipts from local government election fines and forfeited candidate deposits are collected by the VEC on behalf of councils, and remitted to the appropriate council.

## Assets

The current assets of the VEC include receivables, prepayments of expenditure, and inventory. Sufficient inventory is kept to enable minor elections to occur, with purchases substantially increasing prior to a major election. Inventory has increased due to the preparation for the 2014 State election.

The non-current assets of the VEC include plant and equipment, leasehold improvements and computer software developed for the Register of Electors and conducting elections. The VEC is conducting a re-development of its Election Management System, and this development is reflected in the increase in intangible assets.



## Liabilities

Except for the provisions for employee annual leave, long service leave and lease incentive, the liabilities of the VEC are small. They include payables for goods and services and motor vehicle finance leases.

## Equity

The equity of the VEC is split into contributed capital and accumulated loss. The contributed capital represents the amount of funding contributed by the Government of Victoria for the purchase and development of VEC non-current assets. The accumulated loss represents the accumulated result from continuing operations of the VEC.

## Cash flows

The Commission does not hold a cash reserve in its bank accounts. The funding arrangements often result in the Commission having a notional shortfall in the cash at bank required for payment of unrepresented cheques at the reporting date.

## Outlook 2014-15

Major activity scheduled for 2014-15 includes the implementation of the State election component of the redeveloped Election Management System along with supporting the conduct of the 2014 State election, and the commencement of the conduct of electoral representation reviews of 12 Victorian councils in preparation for the 2016 council general elections.

**Matthew Beattie**  
Manager, Finance and Budget Branch

**Figure 2 – Five year financial summary**

	2009-10 (\$,000)	2010-11 (\$,000)	*2011-12 (\$,000)	2012-13 (\$,000)	2013-14 (\$,000)
Special appropriation	19,250	51,415	21,685	40,245	23,062
Total expenses from transactions	19,897	54,592	22,519	41,663	24,987
Net result from transactions	(647)	(3,177)	(834)	(1,418)	(1,925)
Net result for the period	(647)	(3,177)	(896)	(1,411)	(1,936)
Net cash flow from/(used in) operating activities	2	2	(2)	4	(1)
Total assets	7,752	8,323	9,017	10,471	11,520
Total liabilities	1,842	2,416	2,394	3,020	3,675

\*Restated



# OUR STRATEGIC PLAN

The VEC Strategic Plan 2013-14 to 2017-18 provides the basis for operations. Strategic initiatives, organisational planning and staff training are linked to three key strategic intents and associated enablers, or conditions that need to be in place in order for the VEC to achieve its strategic intent.

Areas for focus were identified to guide the development and prioritisation of strategic initiatives to ensure the VEC is enabled to successfully pursue its vision of all Victorians actively participating in their democracy. Twenty-seven strategic initiatives were developed and prioritised for action over the five-year term of the Plan.

While certain initiatives will be designated as having priority for a particular year, work in support of all initiatives will occur throughout the five-year period. See Appendix O for an overview of the Plan.

Six strategic initiatives were selected for focus during 2013-14. See Figure 3 for a report on these initiatives at 30 June 2014.



Figure 3: Report on Strategic Initiatives 2013-14

Enabler	Comprehensive electoral event programs
<b>Strategic Initiative</b>	<b>1. Maintain an effective set of electoral event plans</b>
Objective	Establish a framework for electoral planning documents relating to events within the VEC's responsibility, and a review protocol for the maintenance of documents within the framework
Outcomes/Benefits	<ul style="list-style-type: none"> <li>The VEC is able to deliver electoral events within legislative requirements at any time</li> <li>Collaboration and communication across functional areas during the planning and implementation of electoral events is enhanced</li> </ul>
Report 2013-14	This initiative has delivered: <ul style="list-style-type: none"> <li>Audit of all existing planning documentation</li> <li>Establishment of a planning framework that provides greater visibility and consistency in planning documentation across functional areas</li> <li>Establishment of a review protocol for ongoing maintenance of planning documentation</li> </ul>
Outlook 2014-15	<ul style="list-style-type: none"> <li>Review protocol to be approved in August 2014</li> <li>State election planning will be evaluated post November 2014 State election</li> <li>Ongoing review of the framework and planning documentation will continue in accordance with the protocol</li> </ul>

Enabler	An engaged and informed community
<b>Strategic initiative</b>	<b>6. Design and implement responsive electoral education and awareness programs</b>
Objective	Establish an electoral education and awareness program plan that is responsive to enrolment and voting barriers and emerging trends identified through research
Outcomes/Benefits	Context, narrative and where relevant, research to support the direction the VEC takes in the design and delivery of education/outreach and public awareness activities
Report 2013-14	This initiative has delivered: <ul style="list-style-type: none"> <li>2014 Community Education and Engagement Plan</li> </ul>
Outlook 2014-15	<ul style="list-style-type: none"> <li>Complete 2014 State Election Marketing Communication Plan, covering media, social media, advertising and research activities for 2014 State election</li> <li>Complete planning framework for education/outreach and public awareness programs to 2018</li> </ul>

Enabler	Quality business systems
<b>Strategic initiative</b>	<b>11. Map, document and regularly review key organisational business processes</b>
Objective	Deliver a business process modelling, mapping and (BPM) framework for the VEC that allows the application of a consistent methodology for process development, mapping and documentation
Outcomes/Benefits	A consistent VEC-wide methodology for the mapping, modelling and documentation of all processes and procedures. This will contribute to the achievement of quality business systems for the organisation. It will also be a key enabler to the implementation of an accredited quality regime, should the Commission progress that initiative
Report 2013-14	This initiative has delivered: <ul style="list-style-type: none"> <li>Analysis and assessment of methodologies for business process mapping</li> <li>Identification of appropriate BPM methodology for use within the VEC</li> <li>Development of a 'proof of concept' methodology for use by the VEC</li> <li>A plan for the progressive implementation of the BPM</li> </ul>
Outlook 2014-15	<ul style="list-style-type: none"> <li>Evaluation of proof of concept, modification and roll-out across the VEC</li> <li>Development of supporting process modelling documentation</li> <li>Establishment of a framework for the ongoing review and identification of improvement opportunities within documented processes</li> </ul>

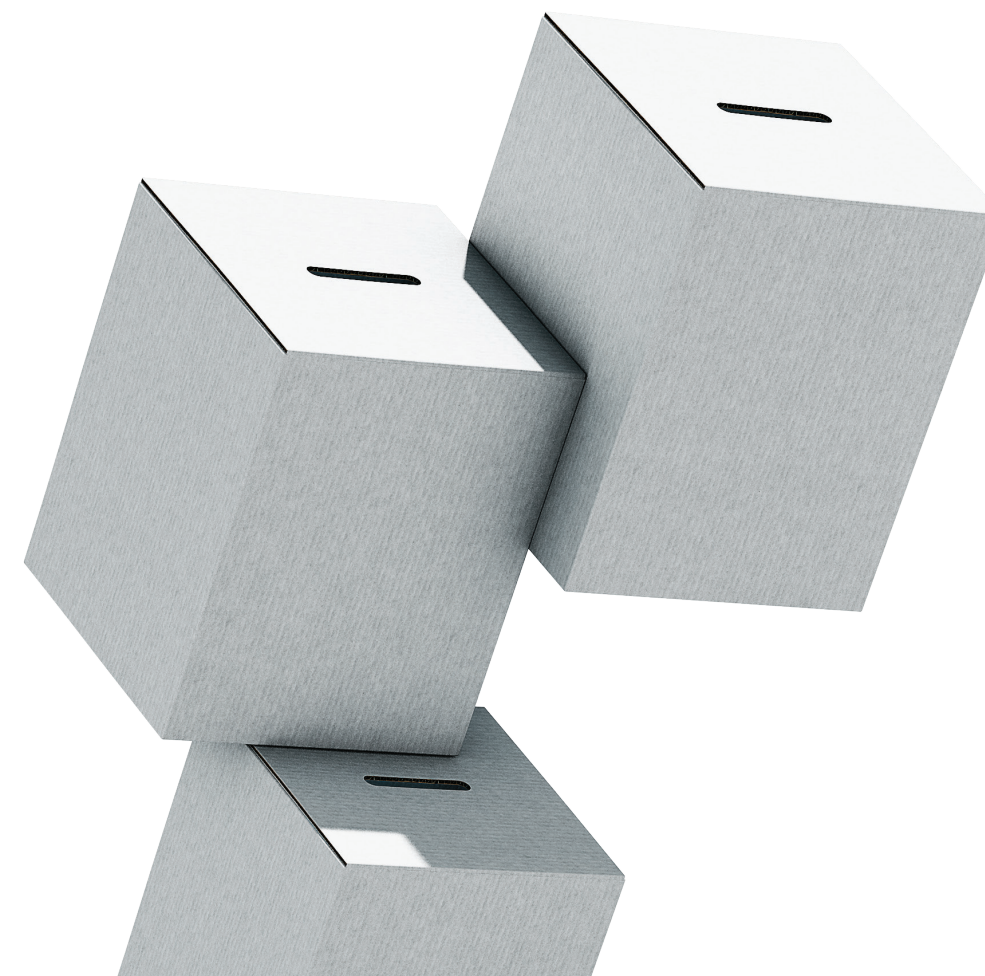


## OUR STRATEGIC INITIATIVES

Enabler	Quality business systems
<b>Strategic initiative</b>	<b>13. Develop and implement a VEC project management framework</b>
Objective	Develop and implement a project management framework that provides a consistent method of managing projects within the VEC irrespective of the nature, size or complexity of the project
Outcomes/Benefits	<ul style="list-style-type: none"> <li>• A formalised project management framework that can be used for all projects</li> <li>• A common method and language when planning and reporting on projects</li> <li>• A foundation for continually improving the VEC's project management capability</li> </ul>
Report 2013-14	This initiative has delivered: <ul style="list-style-type: none"> <li>• The release of the first version of the VEC's project management framework to be used by all staff</li> <li>• A customised one day training session for 51 staff</li> </ul>
Outlook 2014-15	<ul style="list-style-type: none"> <li>• Review the adoption of the framework and the relevance and usefulness of the supporting tools and templates</li> <li>• Consideration of the development of a project management maturity roadmap and its implementation within the VEC</li> </ul>

Enabler	Effective management of resources
<b>Strategic initiative</b>	<b>18. Review and implement a consistent budgeting process</b>
Objective	To deliver a consistent and enduring budgeting process that enables the VEC to conduct ongoing activities
Outcomes/Benefits	The VEC will have a consistent, transparent and structured approach to ensure that the VEC has adequate funding to meet its ongoing and future business requirements
Report 2013-14	This initiative has delivered: <ul style="list-style-type: none"> <li>• Review of current budget templates and processes</li> <li>• Review of 2014-15 budget and completion of new 2017-18 budgets for submission to Department of Justice</li> <li>• Review of current process undertaken and preparation of recommendation to Management Group for future budget processes</li> </ul>
Outlook 2014-15	<ul style="list-style-type: none"> <li>• Findings and recommendations will be presented to Management Group for approval in July. The project will be completed with revised budgeting processes fully implemented</li> </ul>

Enabler	Robust performance management and professional development
<b>Strategic initiative</b>	<b>20. Enhance performance and development program, processes and systems</b>
Objective	Develop and implement a Performance and Development (PD) Program that provides a consistent framework, methodology and approach to Performance Management and Development
Outcomes/Benefits	VEC staff will participate in a robust PD program with the following features: <ul style="list-style-type: none"> <li>• Performance is recognised and acknowledged</li> <li>• Performance expectations are understood, agreed and monitored on a regular basis</li> <li>• Staff skills are appropriate to meet organisational needs</li> <li>• Performance and development is aligned with corporate planning</li> <li>• Progression decisions are objective and defensible</li> </ul>
Report 2013-14	This initiative has delivered: <ul style="list-style-type: none"> <li>• A P&amp;D framework and supporting processes</li> <li>• A suite of P&amp;D reference guides to support employees and People Managers</li> <li>• Staff and People Manager training</li> </ul>
Outlook 2014-15	<ul style="list-style-type: none"> <li>• Ongoing provision of advice &amp; support and monitoring of staff engagement in the P&amp;D process</li> </ul>





# OUR COMMISSION

## Strategic intent

The VEC will have transparent and accountable governance and business support systems that reinforce and sustain organisational capacity

## Enablers

- Quality business systems
- Effective management of resources
- VEC operating model is fit for business

## Achievements 2013-14

- Unqualified report from Auditor-General evidences effective management of financial resources
- All reports provided to relevant bodies on schedule and within budgets
- Annual Report 2012-13 achieves Gold Australasian Reporting Award
- Records management corrective action plan commenced in response to 2013 review

## Strategic initiatives 2013-14

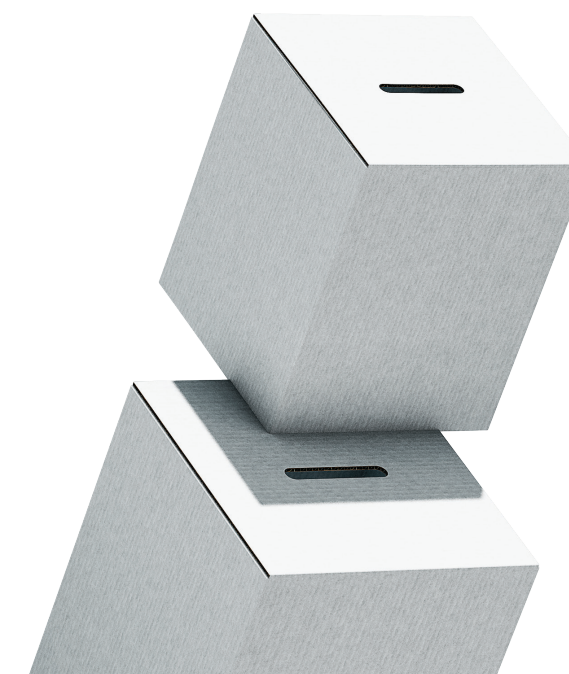
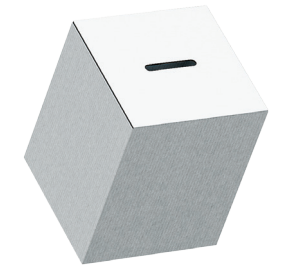
Strategic initiative	11. Map, document and regularly review key organisational business processes
Result 2013-14	Analysis and assessment of methodologies for business process mapping, identification of appropriate BPM methodology. Development of a 'proof of concept' methodology for use by the VEC and a plan for the progressive implementation of the BPM.
Outlook 2014-15	Implementation and evaluation of the proof of concept, modification and roll-out across all Branches of the VEC. Development of supporting process modelling documentation and the establishment of a framework for ongoing review and improvement.
Strategic initiative	13. Develop and implement a VEC project management framework
Result 2013-14	Release of the first version of the VEC's project management framework to be used by all staff, supported by customised one day training session for 51 staff.
Outlook 2014-15	Review the adoption of the framework and the relevance and usefulness of the supporting tools and templates. Consideration of the development of a project management maturity roadmap and its implementation within the VEC.
Strategic initiative	18. Review and implement a consistent budgeting process
Result 2013-14	A consistent and enduring budgeting process that will enable the VEC to conduct ongoing activities has been developed and is due for approval.
Outlook 2014-15	Findings and recommendations will be presented to Management Group for approval in July. The project will be complete with revised budgeting processes fully implemented.

## Outlook 2014-15

- Work will continue on strategic initiative 11: Map, document and regularly review key organisational business processes
- Implementation of the VEC's internal audit schedule, responsive actions and policy reviews will continue
- Focus on information management, compliance training and procedural compliance will continue
- An approved, consistent budgeting process will be implemented across the VEC as Strategic Initiative 18 is completed

## Priority strategic initiative 2014-15

Enabler	Strategic initiative	Success indicator
Quality business systems	14. Develop and implement a VEC corporate reporting framework	VEC internal and external reporting framework meets legislative and organisational requirements



## Inside this section

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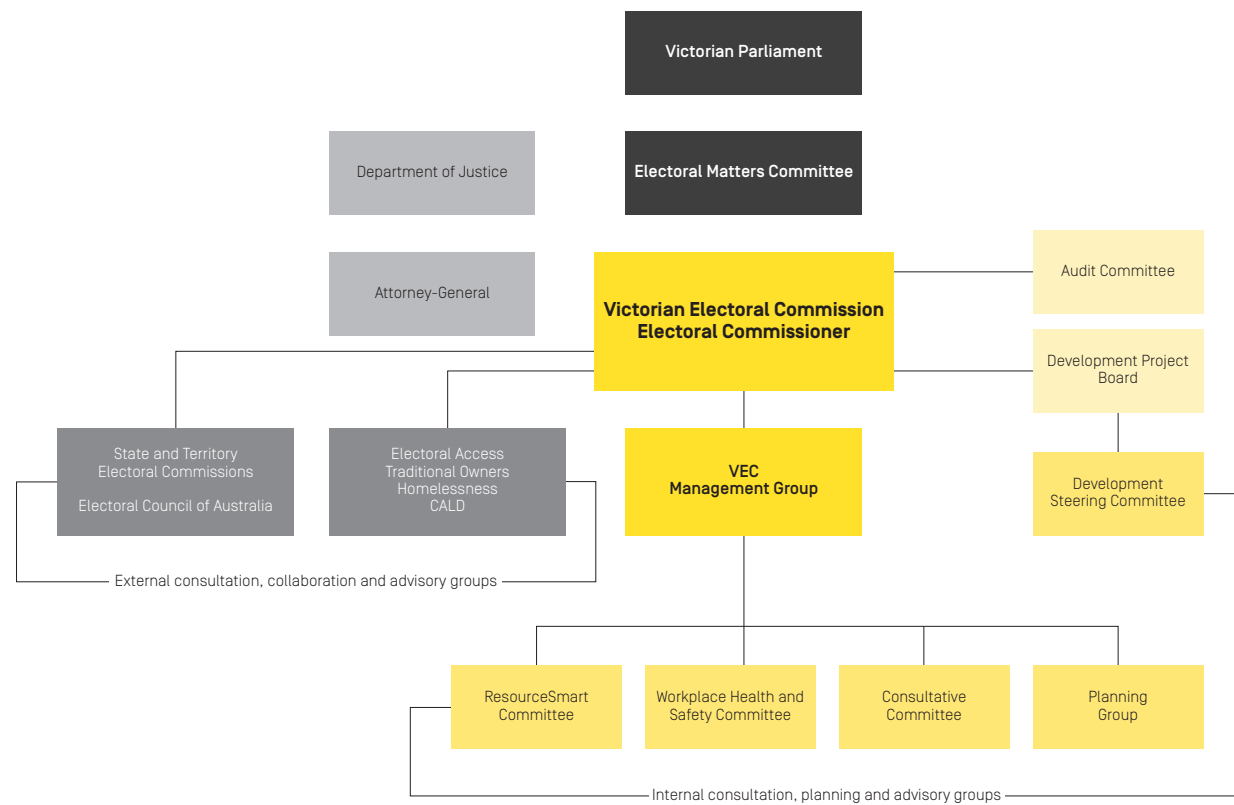
# GOVERNANCE

The VEC is the administrative agency through which the Electoral Commissioner's legislative obligations are exercised. The VEC is committed to ensuring that its policies and practices reflect good governance as well as complying with all relevant legislation. Adherence to the VEC's governance framework demonstrates accountability to stakeholders and ensures the vitality and impartiality of the electoral system, now and into the future. Staffing and work practices are determined by the *Public Administration Act 2004* and guided by the State Services Authority until April 2014 when the Victorian Public Sector Commission was established.

The VEC is an independent agency, operating under the auspices of the Department of Justice, within the portfolio of the Attorney-General, the Honourable Robert Clark, MP. The VEC is not subject to the direction or control of the Minister in respect of the performance of its responsibilities and functions and the exercise of its powers.

The Secretary of the Department of Justice, Greg Wilson, is responsible for providing support to Cabinet on matters relating to the VEC. During 2013-14, a restructure within the Department of Justice brought the VEC under the new division, Civil Justice. In February 2014, Donald Speagle was appointed as Deputy Secretary of the Civil Justice Division and has commenced a valued working relationship with the VEC. The VEC thanks Marisa De Cicco (Deputy Secretary, Criminal Justice Division) who as Executive Director, Strategic Policy & Legislation, liaised with the VEC prior to the restructure. Figure 4 shows the governance and consultation structure of the VEC.

Figure 4 – Governance and consultation structure of the VEC (FRD 22C)

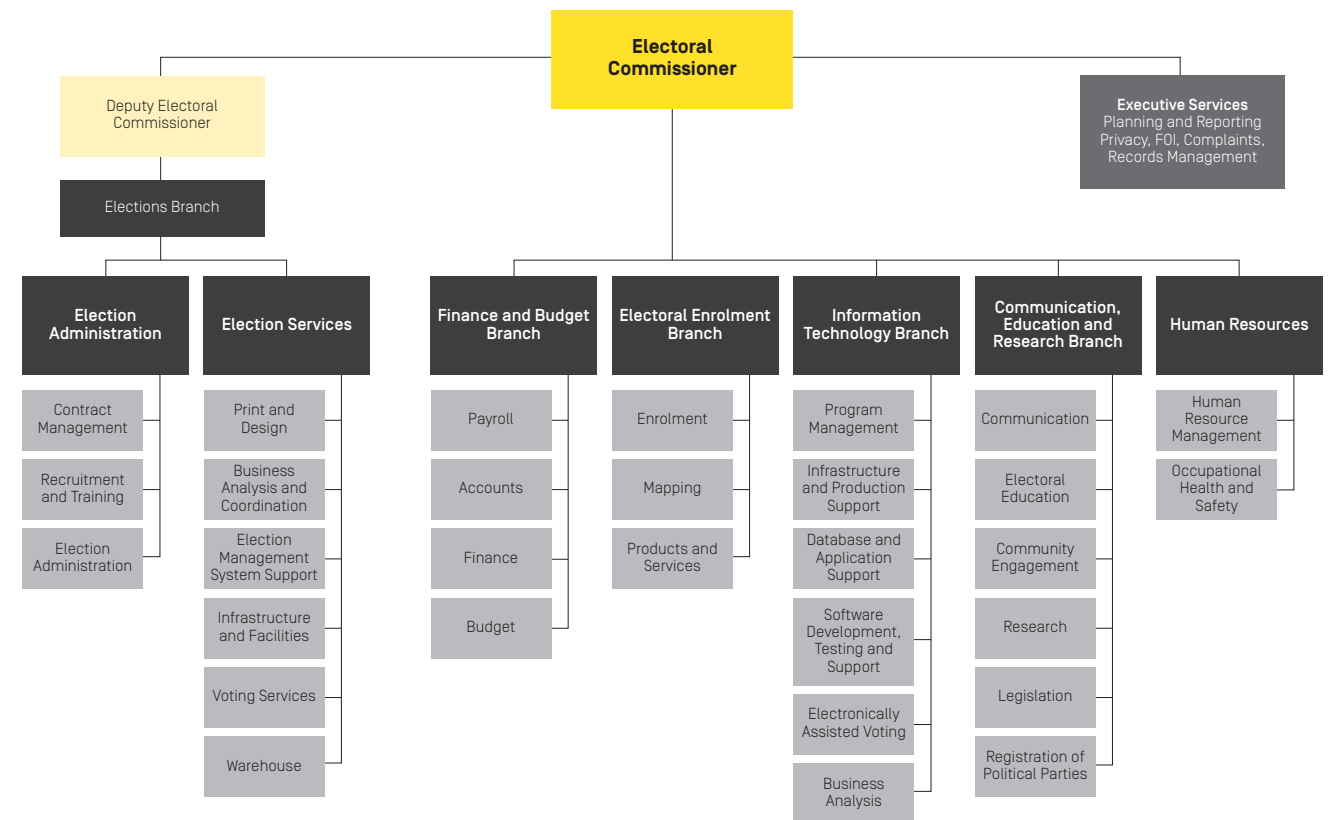


# ORGANISATIONAL STRUCTURE

The VEC's organisational structure reflects the main activity areas of the VEC (see Figure 5).

The VEC Management Group works closely with the Electoral Commissioner and Deputy Electoral Commissioner to develop and implement strategic and operational plans.

Figure 5 – VEC Organisational Structure (FRD 22C)





## STAFF PROFILE

### Comparative workforce data

Figure 6: Full time equivalent (FTE) staffing trends, 30 June 2010 to 2014 (FRD 22C)

	Ongoing Employees			Fixed Term		Casual		Totals		
	Number (Headcount)	Full Time (Headcount)	Part Time (Headcount)	FTE	Number (Headcount)	FTE	Number (Headcount)	FTE	Number (Headcount)	FTE
2014	65.0	56	9	62.5	20	18.8	14	11.3	99	92.6
2013	62.0	52	10	58.4	16	16.0	6	2.6	84	77.0
2012	60.0	49	11	56.7	16	16.0	9	5.2	85	77.9
2011	59.0	47	12	55.0	14	13.5	9	6.1	82	74.6
2010	59.0	47	12	54.9	17	16.3	10	5.3	86	76.5

Figure 7: VEC staff profile, last pay period June 2014 (Not including statutory appointees) (FRD 29)

Active staff in last pay period June 2014					
	Ongoing		Fixed term & Casual		Totals
	Headcount	FTE	Headcount	FTE	
<b>Gender</b>					
Male	26	26.00	14	12.38	38.38
Female	39	36.50	20	17.73	54.23
<b>Total</b>					<b>92.61</b>
<b>Age</b>					
Under 25	0	0.00	2	2.00	2.00
25-34	11	11.00	10	8.74	19.74
35-44	20	18.80	5	4.60	23.40
45-54	13	12.90	7	6.08	18.98
55-64	17	15.80	9	7.69	23.49
Over 64	4	4.00	1	1.00	5.00
<b>Total</b>					<b>92.61</b>
<b>Classification</b>					
STS	2	2.00			2.00
VPS Grade1	0	0.00	2	2.00	2.00
VPS Grade2	12	11.20	6	5.49	16.69
VPS Grade3	14	13.80	17	13.84	27.64
VPS Grade4	12	11.60	6	5.78	17.38
VPS Grade5	19	18.10	2	2.00	20.10
VPS Grade6	6	5.80	1	1.00	6.80
<b>Total (non-exec)</b>	<b>65</b>	<b>62.50</b>	<b>34</b>	<b>30.11</b>	<b>92.61</b>

## THE ELECTORAL COMMISSIONER



**Electoral Commissioner**  
*Warwick Gately AM*

The Electoral Commissioner is appointed by the Governor in Council for a period of 10 years, and is responsible for the administration of the enrolment process and the conduct of parliamentary elections and referendums in Victoria.

Mr Warwick Gately AM was appointed as the Electoral Commissioner for Victoria on 29 April 2013. Mr Gately's early career was with the Royal Australian Navy. He commanded the Destroyer, HMAS TORRENS in 1994 and the Guided Missile Frigate, HMAS ADELAIDE, the latter during operations off East Timor in 1999 for which he was awarded a Defence Force Commendation. He was appointed as a Member (AM) in the Military Division of the Order of Australia in June 1999, for exceptional service to the Australian Defence Force in a number of key operational appointments.

In 2003, Warwick joined the Western Australian Electoral Commission as the Deputy Electoral Commissioner. He was appointed as the Electoral Commissioner for Western Australia in August 2006, and reappointed in 2009 for a further five-year term.

As Western Australian Electoral Commissioner, Mr Gately was responsible for the conduct of the 2005, 2008 and 2013 State general elections and State-wide referendums on retail trading hours and daylight saving. He oversaw the State electoral boundary redivision, and conducted local government elections every two years. Continuing his long-standing career in public service, now as Victorian Electoral Commissioner, Mr Gately is committed to the provision of effective electoral services to the Victorian community.

The Electoral Commissioner is assisted by the Deputy Commissioner and the Executive Services team, with responsibilities including:

- planning and reporting
- complaints management
- records management
- freedom of information
- information privacy awareness.



**Deputy Electoral Commissioner**  
*Liz Williams*

Elections Branch Manager (Election Administration)

As Deputy Electoral Commissioner, Liz works closely with the Electoral Commissioner in the management and administration of the VEC. Liz also oversees the Elections Branch, which is divided into two areas: Election Administration, managed by Liz, and Election Services, managed by Glenda Frazer (see below).

Elections Branch:

- oversees the planning and conduct of State, local government and commercial elections
- promotes local government election services and tendering to conduct local government elections
- recruits, trains and assesses election managers and election officials
- develops election manuals and handbooks
- procures and manages resources including election offices, early voting centres and voting centres
- develops and implements election management systems.

The Election Administration area undertakes large-scale recruitment and training projects, providing information and support for Election Managers, Returning Officers and their staff. The team also manages substantial election contracts with councils, statutory and fee-for-service clients.

Liz has significant electoral experience gained in various roles held during the numerous State, local government and non-government elections that have been conducted since starting with the VEC.

After commencing her career in education, Liz joined the VEC as a Returning Officer in 1992, moved to an ongoing full-time appointment in 1996 and was appointed Deputy Electoral Commissioner in 2005. Liz was Acting Electoral Commissioner between May 2012 and April 2013.

Liz believes fostering a working environment that promotes learning and collaboration drives innovation and excellence in election administration; and that efficient and inclusive electoral processes are integral to full democratic participation.



## THE VEC MANAGEMENT GROUP



**Elections Branch (Election Services) Manager**  
*Glenda Frazer*

Working closely with the Deputy Commissioner and the Elections Administration area, the Election Services area aims to provide accessible and well-equipped voting centres and election offices, and to ensure that voting materials are accurate, easily understood and available on time.

Glenda Frazer commenced with the VEC in 1988 as an election manager, moving to a full-time position in 1995. Glenda has extensive knowledge of the conduct of elections with significant experience in the application of information technology to elections.

Glenda is responsible for major large scale operations for the VEC and is the State election program manager. She believes thorough planning and preparation enables voters to experience trouble-free elections. Glenda and her team are focused on the efficient and effective delivery of election services. Glenda is also the Prosecution Officer for State and local government elections and liquor licensing polls.

The Election Services area has responsibility for the preparation and distribution of voting material via Australia Post and the VEC mail-house, the operation of the central processing centre for postal voting at State elections and by-elections, computerised counts, compulsory voting enforcement, the review and identification of voting centres and the provision of voting services for interstate and overseas elections. The team is also responsible for establishing temporary remote election offices, management of the VEC warehouse, purchasing and supply of all resources for VEC head office and election offices and the printing and design of products used for elections. In addition, the Election Services team provides application support and support materials for the VEC's election management system.



**Finance and Budget Branch Manager**  
*Matthew Beattie*

Matthew joined the VEC in February 2013. Prior to joining the VEC, Matthew worked for a statutory authority for 10 years in various senior finance roles, and prior to that, a mix of private sector finance roles.

The Finance and Budget Branch maintains the VEC financial management systems, manages the VEC's budget and expenditure, and provides VEC payroll services.

Matthew views sound budgeting and accounting as crucial to the success of the operations of the VEC. Matthew and his team ensure that the VEC complies with all financial and auditing requirements. The Finance and Budget Branch also manages payroll services for core VEC staff and up to 17,000 casual appointees over election periods.



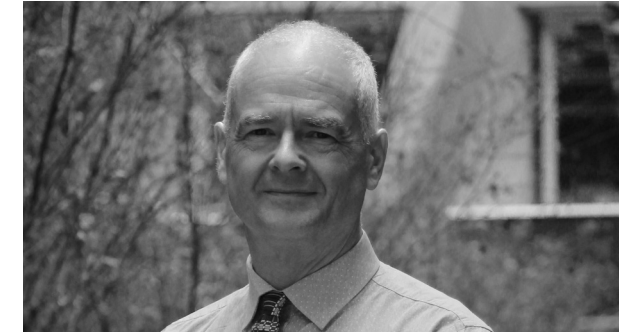
**Electoral Enrolment Branch Manager**  
*Melanie Davidson*

Melanie joined the VEC in January 2013, having migrated to Melbourne from Wellington, New Zealand. Melanie was in the New Zealand Public Service for more than 12 years, in a range of operational and management roles, with a particular focus on operational accountability and business improvement. As the Manager of the Enrolment Branch, Melanie is responsible for the preparation and provision of accurate electoral rolls and mapping data.

In addition to maintaining an up-to-date and accurate Register of Electors, the Electoral Enrolment Branch provides the following services:

- implementation of electoral enrolment programs
- conduct of electoral representation reviews for councils and supports electoral boundary work by the Electoral Boundaries Commission
- production of electoral rolls and other roll products
- provision of advice on electoral enrolment matters.

As the VEC has moved towards a direct enrolment approach for managing enrolment, the focus is on the continued integrity of the Register of Electors, while also offering more customer-focused means of updating and keeping elector enrolment details current. The Branch is also involved in managing electoral representation reviews and supporting the work of the Electoral Boundaries Commission. Melanie's team employs a variety of administrative, technological, mapping and geo-spatial knowledge and skills to help ensure that Victorian electors have fair and equitable representation.



**Information Technology Branch Manager**  
*Simon Hancock*

Simon commenced at the VEC in 2000 and has managed the Information Technology (IT) Branch since 2003. Prior to working at the VEC, Simon worked for a number of information technology companies providing project management and technical consultancy over a range of industry settings.

Providing information technology expertise and support across the VEC, both at head office and throughout the State, the Information Technology Branch:

- provides a stable and reliable technology environment for the VEC
- plans, sets up and supports the technology used during the conduct of all elections
- maintains and enhances the VEC's enterprise software
- maintains and administers the VEC's corporate databases
- manages the VEC technology environment.

Simon considers that the provision of excellent IT services is vital for the success of all VEC operations. Simon's team provides hardware and software support for everyday VEC activities, providing extremely high volume support during election periods.



## THE VEC MANAGEMENT GROUP



**Human Resources Manager**  
*Bernadette Lamaro*

Bernadette joined the VEC in 2013 having worked in private industry for 13 years, predominately for global consulting organisations, as a human resources professional.

Bernadette has worked in several core human resource disciplines throughout her career across the following areas: Learning and Professional Development, Workforce and Talent Management, Recruitment, Performance Management and Remuneration, with roles incorporating transition management, program and project management, learning facilitation, consulting, people management and program leadership.

As Human Resources Manager, Bernadette believes strongly in the ongoing investment of reviewing current work place practices and policies, assessing and evaluating the impact of existing programs and identifying opportunities for improvement with a focus on integrated solutions for improving organisational climate and employee engagement.



**Communication, Education and Research Branch Manager**  
*Sue Lang*

Sue joined the VEC in 2006 after spending much of her career in senior communication roles within the metropolitan water industry, local government, statutory authorities and State Government. She has particular experience in major public awareness programs.

The Communication, Education & Research Branch comprises three distinct teams and provides a number of communication and education services to various audiences, including:

- internal communication services for the VEC
- development and implementation of communication strategies for electoral events
- delivery of information services to key stakeholders
- development of strategies to promote and encourage electoral enrolment and involvement
- provision of electoral education and outreach services
- provision of advice on electoral legislation, electoral structures and strategic matters
- provision of research services and information.

Sue and her team aim to effectively communicate electoral information and education, across all media platforms, to the many diverse groups throughout Victoria.

## INTERNAL COMMITTEES AND GROUPS

A number of consultation groups and committees assist the Electoral Commissioner and Management Group with the development and implementation of strategies and policies, providing expertise and promoting staff consultation.

### Development Steering Committee

The VEC is undertaking a program of works to re-develop the VEC's Election Management System (EMS). The redevelopment addresses identified process inefficiencies and data management overheads that have grown over the life of the existing application. Objectives include improved integration between systems, enhanced reporting capability, increased online 'self-service' access to data, and improved processes to minimise the negative impact of VEC functions on the environment. Internal oversight and governance for the program of work is provided by a Development Steering Committee (DSC) which gives strategic direction to the project teams. The DSC meets monthly and ensures all development projects are consistent with the VEC's business strategy and that the correct project controls are being applied along with the oversight of schedule, budget and risk. Committee members include Branch Managers, the lead Program Architect, IT Program Manager and Program Manager. The committee is chaired by the Deputy Electoral Commissioner.

During 2013-14, the DSC was focused on critical development priorities for the 2014 State election and the associated oversight of schedule, budget and risk. This included the development of modules for the VEC's Election Management System, enhancements to the VEC's Roll Management System to support Provisional Vote checking and enrolment activities for the 2014 State election, the development of the VEC's electronically assisted voting facility (vVote), the configuration and roll-out of a new Personnel Management System for VEC head office staff and election officials and redevelopment of the VEC website. Significant work was also undertaken on the overarching enterprise architecture and security.

In 2014-15 the focus will be on developing the remaining functionality within the VEC's Election Management System including outstanding modules to support local government elections. Further work to ensure the secure and effective integration of VEC systems will also be a focus during 2014-15.

### Planning Group

The Planning Group (PG) is the major cross-organisational work group at the VEC. Operating continuously, PG plans, tracks and monitors the implementation of elections and other activity across the VEC. PG is comprised of a changing complement of key team-leaders from across the organisation to reflect its broad-ranging role across all operations. PG is responsible for fostering intra-agency cooperation, checking and reporting on projects as assigned and providing advice to areas requiring operational guidance as well as contributing to the development of new products and services.

During the second half of 2013, PG finalized its commitment in regard to the 2012 local government elections with the completion of compulsory voting enforcement and Municipal Electoral Tribunals. The group then transitioned to planning for the 2014 State election. During the first half of 2014 the group's main focus has been on State election preparation including the identification of key projects and ensuring all major contracts are in place and on schedule. PG has also continued to support by-elections, elections and polls conducted by the VEC.

The focus for the group in 2014-15 will be the delivery of the State election and continued support of other by-elections, elections and polls.

### Occupational Health and Safety Committee

The Occupational Health and Safety Committee (OHSC) staff representatives were elected in accordance with the legislation and a regular meeting schedule is in place. During 2013-14 the focus of the OHSC was on supporting the establishment of a robust OHS management system. This is an ongoing activity and will be finalised in 2014. The OHSC launched a new SharePoint site with interactive functionality including radio buttons to download Hazard/Near Misses and Incident/Injury forms. The site also provides for easy access to OHS information and includes real-time incident and hazard statistics provided by HR. The committee was also involved in an internal OHS audit and has reviewed findings and made recommendations which will be incorporated into the OHS management system.

### ResourceSmart Committee

The ResourceSmart Committee (RSC) oversees the implementation of the VEC's Environmental Management Plan with the purpose of raising awareness of environmentally sound work practices and reducing the negative environmental impact of the organisation. The VEC has continued its organisational, management and staff commitment to environmental sustainability by including environmental sustainability objectives in its Strategic Plan 2013-14 to 2017-2018.

During 2013-14 the RSC continued in its role exploring and overseeing environmental efficiency gains, reductions in resource consumption, and improvements in waste management. RSC members took part in WasteWise Melbourne Network (WWMN) events on waste management for which VEC has previously gained Gold Accreditation. VEC efficiency gains were once again profiled in the State Government report *Doing Sustainability* by Commissioner Kate Auty. A report from the RSC is included in the report at Appendix M.

## EXTERNAL ADVISORY GROUPS

The VEC has established a number of advisory groups to provide advice and assistance with service provision, employment and electoral education for specific groups in the community.

### Electoral Access Advisory Group

The Electoral Access Advisory Group (EAAG) provides advice and knowledge to the VEC in relation to accessibility, continually challenging and assisting the VEC in its aim to provide universal access across all organisational functions.

The VEC's EAAG met in full twice in 2013-14. The first meeting in September 2013 focussed on the proposed 2014 State Election Service Plan and provided an update on the Victorian Government's State Disability Plan. A subgroup of the EAAG met just prior to the September meeting to discuss the concept of accessibility supercentres for the 2014 State election - what they might offer in terms of services, where they might be located and how they might be evaluated. The EAAG met again in February 2014 for an update on plans for the 2014 State election. Members were also offered a chance for a 'behind the scenes tour' on election night. The VEC's Education and Engagement Team provided an update of its work in the disability area and the VEC provided information regarding the development of its website with a view to it being the most accessible government website in Victoria.

### Homelessness Advisory Group

The VEC's Homelessness Advisory Group provides advice to the VEC on engaging with people in the community who are experiencing homelessness. This year saw the continuation of our relationship with the Council to Homeless Persons' Peer Education Support Program, with a number of trained peer educators contributing to advisory group meetings. The VEC also provided an opportunity for group members to meet with the Australian Electoral Commission regarding voting arrangements and no fixed address enrolment for the September 2013 Federal Election.

### Aboriginal Advisory Group

The VEC's Aboriginal Advisory Group (AAG) includes Traditional Owners, the Victorian Electoral Commissioner and VEC staff. The Group advises and assists the VEC in its aim to develop effective resources and materials, and deliver education, seminars and workshops.

The Aboriginal Advisory Group did not meet during 2013-14 as a result of the sudden departure of the Indigenous Engagement Officer and the relatively long search to fill the role.

### Culturally and Linguistically Diverse Advisory Group

Members of the Culturally and Linguistically Diverse (CALD) Advisory Group are drawn from the CALD community sector and include both peak bodies and frontline agencies. This year the focus has been on the VEC's Democracy Ambassador pilot project which was initially recommended by CALD Advisory Group member organisation, the Ethnic Communities Council.

The group has been instrumental in providing support and advice on the development and implementation of the project, including providing expertise around the design and implementation of the pilot and assistance with promoting the project to CALD community groups.



## GOVERNING LEGISLATION AND TRIBUNALS

The three pieces of legislation that set out the VEC's primary responsibilities are the *Constitution Act 1975*, the *Electoral Act 2002* and the *Local Government Act 1989*.

In accordance with this legislation, the VEC conducts State and local government elections and by-elections, and certain statutory and fee-for-service elections. The VEC also provides advice to the Attorney-General and Parliament on electoral issues. Other legislation and regulations imposing certain duties on the Electoral Commissioner are listed in Appendix B.

### Legislative and regulatory amendments

Two Acts amended the *Electoral Act 2002* (the Electoral Act). The *Treasury Legislation and Other Acts Amendment Act 2014* made minor changes to Section 214 of the Electoral Act, relating to the indexation of public funding payments. The *Victoria Police Amendment (Consequential and Other Matters) Act 2014* inserted a definition of "police officer" in the Electoral Act, and changed references in the Act from "member of the police force" to "police officer".

In the local government election field, the *Local Government (Brimbank City Council) Amendment Act 2014* amended the *Local Government Act 1989 (LG Act)*, postponing the next general election for Brimbank City Council from March 2015 to October 2016.

### Court of Disputed Returns

Parliament alone has the authority and jurisdiction to determine who and how a person can be elected to Parliament, and to determine whether a person has been validly elected. To ensure disputes are settled in a bi-partisan manner, Parliament creates an independent, neutral body (Court of Disputed Returns) to make these determinations. Under the *Electoral Act 2002*, the Supreme Court of Victoria is the Court of Disputed Returns.

No petitions were brought before the Court during 2013-14.

### Municipal Electoral Tribunal

Section 45 of the *Local Government Act 1989 (LG Act)* provides for a candidate or a group of ten voters at a local government election who dispute the validity of the election, to apply for an inquiry into the election by a Municipal Electoral Tribunal (MET). Applications must be lodged within 14 days of the declaration of the result of the election in dispute. There were no applications to the MET in relation to local government by-elections or countbacks during 2013-14.

### Victorian Civil and Administrative Tribunal

Section 48(2) of the LG Act allows a person whose interests are affected by a MET decision to apply to the Victorian Civil and Administrative Tribunal (VCAT) for a review of that decision. No applications were lodged with VCAT in relation to local government election matters during 2013-14.

### Election Administration

I provide administrative support to help ensure that training for Senior Election Managers runs smoothly. I have developed an in-depth knowledge of electoral information and processes, and have built strong professional relationships with Senior Election Managers who will be appointed to election offices around the State.

I believe all Victorians should have a right to vote and I regularly volunteer to work in a variety of projects with other branches of the VEC. For the 2014 State election, I'm looking forward to once again assisting the Education and Engagement team with enrolment outreach to people experiencing homelessness.



Kelly Thong



# ACCOUNTABILITY AND TRANSPARENCY

The VEC has legislated and organisational processes in place to ensure transparency and accountability to the Victorian public. These include internal and external auditing, regular reporting to stakeholders including Parliament, Government and the public, and tabling of audited financial statements as part of this report.

## Financial Management Compliance Framework

The Financial Management Compliance Framework has been developed to provide the Minister for Finance an assurance that Victorian Government entities have implemented the appropriate systems to ensure compliance with the framework directions to provide for effective, efficient and responsible financial management of public resources.

The directions cover:

- financial code of conduct, financial governance including the establishment of an Audit Committee, financial risk management, authorisations, and internal and external audits
- financial management structure, systems, policies and procedures – which includes roles and responsibilities of the financial management team, policies and procedures, managing outsourced services, information technology management, operations, development and change, education and training
- financial management reporting – which includes internal and external reporting; reporting requirements for Financial Statements and Report of Operations in accordance with part 7 of the *Financial Management Act 1994*, performance management and evaluation, financial management compliance obligations, tax compliance, purchasing cards and thefts and losses compliance
- the Financial Management Framework is audited by the internal auditor, and reviewed by the Audit Committee. The VEC is fully compliant with the framework directions.

## Audit Committee

The primary objective of the Audit Committee is to assist the Electoral Commissioner in fulfilling the VEC's responsibilities and to add value to the accounting, operational practices, controls and risk strategies of the Commission. This involves overseeing:

- financial performance and reporting including the financial statements
- the scope of work, performance and independence of the internal and external audit
- monitoring VEC compliance with the Financial Management Compliance Framework, including financial policies and procedures, and the Victorian Government Risk Management Framework including the attestation by the Electoral Commissioner in the Annual Report
- matters of accountability and internal control.

In 2013–14 the Committee comprised:

- Mr Robert Yeo (Chairman), consultant
- Ms Elizabeth Reeves, accountant and senior election official
- Mr David Fahey, accountant.

The Committee held four formal meetings during the year, with other informal meetings and discussions between members and the Electoral Commissioner and Manager of Finance and Budget on various issues and outcomes. The internal and external auditors attended meetings as required.

During the year, the internal audit function was performed by HLB Mann Judd, and the external audit by the Auditor General's agent, DFK Collins Pty Ltd.

At its meetings, the Audit Committee considered and discussed the following:

1. Financial report
  - review of the financial statements and audit management letter, and follow-up action taken in relation to outcomes raised
  - receipt and review the Auditor General's audit program
2. Internal audit program and a review of outcomes of audits conducted for:
  - VicRoads – statement of compliance of confidentiality of data
  - Fringe Benefits Tax
  - Taxation compliance
  - Financial Management Compliance Framework
  - Payroll and human resources
  - Candidates deposits and trust account management
  - Compulsory voting enforcement/penalty collection
  - File registry and records
  - Privacy
  - IT security controls and software register

## Identifying and managing risk

The Victorian Government Risk Management Framework provides for a minimum risk management standard across public sector entities. The Electoral Commissioner is responsible for the development and implementation of the framework and processes to ensure that risks are being managed in a consistent manner.

Risk management is built into the planning and reporting processes. The risk package is audited and reviewed by the Audit Committee. The VEC conducts assessments to identify other organisational risks, evaluates risk controls in place and develops new controls where required.

Risks are rated according to their hazard potential across operational and non-operational activities. Risk ratings are presented to the Audit Committee in accordance with its charter. This Committee determines whether adequate controls are in place, and whether a periodic review of those controls is required.

At an operational level, the VEC has comprehensive risk management plans for all electoral events. These are developed, discussed and analysed at branch level during the planning phase and cover election management, infrastructure, communication, recruitment and information technology. Risk management is addressed at senior management level and in staff meetings.

Legal and compliance issues associated with occupational health and safety are managed through the VEC's OHS Committee, which meets every quarter.

## Development Project Board

The Development Project Board (DPB) oversees and provides advice to the VEC's Development Steering Committee, and is responsible for ensuring the program of works is consistent with the VEC's business strategy and that the correct program controls are being applied. The DPB also reports progress to external government stakeholders and the VEC's audit committee. The DPB meets quarterly, is chaired by the Electoral Commissioner with members from the Department of Justice's Major Procurement and Project Office and the VEC's internal audit committee.

The following people constituted the DPB during 2013-14:

- Warwick Gately AM, Electoral Commissioner – Chair
- Michael Cornelius, Director Major Procurement Program, Department of Justice
- David Fahey, VEC Audit Committee.

In addition, the following provide ex-officio support to the DPB:

- Liz Williams, Deputy Electoral Commissioner – Chair of Development Steering Committee
- Simon Hancock, VEC IT Manager – Secretary.

The DPB met on three occasions. While the redevelopment of the Election Management System (EMS) was the Board's principal focus, the Aurion human resources system and vVote development also attracted attention as falling within the scope of the EMS program of works. In meeting, the Board concerned itself with the achievement of project milestones and in recording the decisions and narrative around the project change control process and the potential impacts on budget and schedules. The agile development methodology being used in the EMS project was carefully monitored as to its effectiveness and the many identified risks to the project were routinely considered along with their mitigation actions.

The DPB, within the governance structure of the EMS redevelopment, has been very effective in its overseeing of this complex and costly information technology project. At this point, while the project will extend some 18 months beyond the anticipated original completion date, the development will deliver the expected system functionality at a slightly reduced total project cost.

## Corporate planning

The VEC Strategic Plan 2013-14 to 2017-18 provides the basis for operations. Strategic initiatives, organisational planning and staff training are linked to three key strategic intents and the associated enablers (defined as conditions that need to be in place in order for the VEC to achieve its strategic intent). Areas for focus have been identified to guide the development and prioritisation of strategic initiatives. See page 13 for an overview of achievements against strategic initiatives to date.

Developed under the authority of the Electoral Commissioner, Mr Warwick Gately AM, the Plan shapes the day to day work of the VEC. Operational plans at branch and project levels that support the strategic intents are essential in pursuing the VEC's vision of all Victorians participating in their democracy.

The planning structure, strategic content and associated workforce planning framework, performance planning and professional learning help ensure that the VEC continues to deliver its statutory mandate in a fair, transparent, effective and accountable manner. The strategic initiatives are prioritised and in 2013-14, work commenced on those considered to be the highest priority. Priority initiatives for relevant business areas for the current and coming years have been included throughout the report. See Appendix O for a schedule of strategic initiatives contained in the plan.

## DISCLOSURES

### Corporate reporting

The VEC has a comprehensive program of reporting to stakeholders that supports its goals of accountability and transparency. Internal reporting is aligned with lines of authority and cross-organisational channels to meet organisational needs.

External reporting is based on legislative and governance obligations, transparency objectives and commitments to stakeholders. The standard of reporting is high, as evidenced by the gold award for the *Victorian Electoral Commission Annual Report 2012-13* achieved at the 2014 Australasian Reporting Awards.

During 2013-14 the VEC tabled two reports before Parliament: *Victorian Electoral Commission Annual Report 2012-13*, and the *Report on the Lyndhurst State by-election held on 27 April 2013*. The Reports were provided to the Attorney-General, and delivered to Parliament and the Electoral Matters Committee in accordance with the tabling schedule and organisational timeframes.

Other reporting obligations include the provision of a quarterly report to the Department of Justice in relation to budgetary objectives, twice yearly reporting to the Attorney-General on infringements activity, whole of government multicultural affairs reporting, advertising spending reporting and end of year freedom of information reporting for the VEC and the Electoral Boundaries Commission (EBC) for whom the VEC provides secretarial services. The VEC also prepares the annual report for the EBC. This report can be found at Appendix N of this Report.

All reports were delivered on schedule and within budget where applicable. Annual reports are available on [vec.vic.gov.au](http://vec.vic.gov.au) and from the VEC. Other reports are made available on [vec.vic.gov.au](http://vec.vic.gov.au) if appropriate.

### Project Management Framework

As part of the VEC's strategic plan for 2013-14 to 2017-18, priority was given to the development of a project management framework. This supports the VEC's strategic intent of having transparent and accountable governance and business support systems that reinforce and sustain organisational capacity.

Work was undertaken during the year to develop and formalise a project management framework that can provide an organisational approach to managing projects. The framework has been designed to be used across any type of project and incorporates a set of tools (documents and templates) and techniques (guidelines) that help project staff to plan and deliver projects in a consistent manner. The release of the framework to staff at the VEC was complemented by training, which was delivered to 51 staff members.

### Service charter

The VEC adopted a Service Charter to guide its activity in relation to the provision of services to stakeholders. The Service Charter is available from the VEC. The VEC's performance in relation to relevant areas covered by the Charter is provided throughout this Report where possible.

### Complaints

The VEC handles complaints in two main areas:

- Complaints alleging a breach of the *Electoral Act 2002* (the Act)
- Complaints about a process, performance or service related to an interaction with the VEC.

The VEC also receives complaints alleging a breach of the *Local Government Act 1989* (LG Act). The VEC does not have authority to follow up allegations of a breach of the LG Act and in accordance with the established protocol, these complaints are forwarded to the Local Government Investigation and Compliance Inspectorate (LGICI).

The VEC received 19 written complaints during 2013-14. Of these, seven related to the LG Act and were dealt with accordingly. One complaint related to the Australian Electoral Commission website and was forwarded accordingly. The remaining 11 complaints related to the Act and VEC services and operations. All complaints were followed up in accordance with VEC procedures and were resolved by providing an explanation, follow up and responsive action where required.

### Employment and conduct principles

The VEC maintains and implements a suite of policies and guidelines with respect to upholding public sector conduct, managing and valuing diversity, employment, managing underperformance, reviewing personal grievances, and selecting on merit.

### Human resource management

The goal of the VEC's Occupational Health and Safety (OHS) strategy is to ensure all staff remain safe and healthy at work. An OHS management system has been put in place and branches within the VEC have implemented OHS local action plans aimed at enhancing safety performance and ensuring safe systems of work. In 2013-14, there were 13.8 lost days arising from two injuries. For more on human resource management at the VEC, including performance against OHS management measures, see the Our People section of this report.

### Executive officer disclosures (FRD 15B)

The Electoral Commissioner and Deputy Electoral Commissioner are appointed by the Governor in Council as statutory office holders. These appointments do not fall within the definition of executive officer under the *Public Administration Act 2004*.

### Victorian Industry Participation Policy (FRD 25A)

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public bodies are required to apply VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. No contracts to which the VIPP applies were commenced or completed by the VEC during 2013-14.

### Disclosure of grants and transfer payments (other than contributions by owners)

Included in the 'Total expenses from transactions' are payments of grants and assistance to certain companies and organisations. During 2013-14, the VEC provided grants totalling \$160,827 to six organisations (see Figure 8).

Figure 8: Grants to external bodies, 2013-14

Organisation	Purpose of grant	Amount (Exc GST)
Korin Gamadji Institute	Support of Richmond Emerging Aboriginal Leaders camps (at Korin Gamadji Institute) for Indigenous youth to build their leadership skills through active citizenship and position them as role models within their community	\$108,500
Victorian Youth Parliament	Sponsorship of Indigenous youth parliament team made up of graduates from Richmond Emerging Aboriginal Leaders camps.	\$2,509
Long Walk Women's Luncheon	Sponsorship of luncheon plus speaking opportunity for Electoral Commissioner	\$15,000
Coranderrk Community Festival	Sponsorship of Coranderrk Indigenous Community Festival	\$1,818
Victorian Student Representative Council (VicSRC) Conferences	Sponsorship of six VicSRC conferences held across Victoria attended by teachers and students. Includes provision of Teacher professional development by the VEC to promote Passport to Democracy at each conference	\$3,000
Electoral Regulation Research Network (ERRN)	Ongoing support of ERRN to foster exchange and discussion of research relating to electoral regulation	\$30,000



Figure 9: Contracts over \$10,000, 2013-14

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (ex GST)	Expenditure 2013-14 (ex GST)	Future expenditure (ex GST)
CGI Technology	Independent review of the election management system re-development program	28/10/2013	21/11/2013	\$14,770	\$14,770	nil

**Consultancies under \$10,000**

In 2013-14, the total amount for the consultancies engaged during the year (where the total fees payable to the consultants was less than \$10,000) was \$1,100 excluding GST.

**Accredited Purchasing Unit**

Five contracts were put before the Accredited Purchasing Unit for review and approval during 2013-14, and three previously approved contract extensions were enacted (see Figure 10).

Figure 10: Contracts reviewed by Accredited Purchasing Unit, 2013-14

Title of contract (as named in APU document)	Period of contract	Contractor details	Contractor ABN	Contract value approved	APU reference number
Envelope Provision and Printing Services	16/10/13 to 30/06/17 with a possible 2 year extension until 30/06/19	Candida Stationery Pty Ltd	68 003 599 764	\$1,596,741 until 30/06/17, further cost of \$500,560 with possible contract extension until 30/06/19. Total cost \$2,097,301	077/13-14
Envelope Provision and Printing Services	16/10/13 to 30/06/17 with a possible 2 year extension until 30/06/19	ES Wigg & Son Pty Ltd	12 007 869 865	\$588,290 until 30/06/17, further cost of \$68,950 with possible contract extension until 30/06/19. Total cost \$657,240	086/13-14
Provision of Mail House Services	1/10/2013 to 30/6/2019	Dynamic Direct Pty Ltd	74 285 582 581	\$2,357,895 (Incl. GST)	047/13-14
Cartage and Courier Services	Contract extension from 31/12/13 to 31/12/15	Toll Transport Pty Ltd trading as Toll Fast	31 006 604 191	\$891,845	289/08-09
Ballot Material Printing Services	Contract extension from 31/12/13 to 31/12/15	Bluestar Print	53 004 125 231	\$2,344,077	DG/09/7863
Supply of Cardboard Products	Contract extension from 31/12/13 to 31/12/15	Visy Board Pty Ltd	58 005 787 913	\$1,011,305	DG/09/17682
Provision of 2014 State Election Telephone Enquiry Service	29/09/2014 to 03/12/2014	Stellar Asia Pacific Pty Ltd	86 082 618 148	\$800,000 (Incl. GST)	266/13-14
Advertising Services for the 2014 State Election	Contract extension from State election in 2010 to State election in 2014	Grey Global Group Australia	57 068 231 176	\$857,131 (Incl GST)	137/09-10

**Consultancies and contracts (FRD 22C)**

**Consultancies over \$10,000**

In 2013-14, the total for the consultancies engaged during the year (where the total fees payable to the consultants was more than \$10,000) was \$14,770 excluding GST for one consultancy (see Figure 9).

**Disclosure of major contracts**

In accordance with the requirements of Financial Reporting Directive 12A, the VEC discloses all contracts greater than \$10 million in value which it entered into during the year ended 30 June 2014.

No contracts greater than \$10 million in value were entered into by the VEC during 2013-14.

**Advertising disclosure**

Financial Reporting Direction 22D requires Victorian government agencies to disclose advertising expenditure on campaigns with a media spend of \$150,000 or greater. No reportable advertising expenditure occurred during 2013-14.

**Compliance with the Building Act 1993**

The VEC does not own or control any Government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

**National Competition Policy**

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if they are not in the public interest. Government businesses are required to cost and price these services as if they were privately owned and thus be fully cost reflective. Competitive neutrality policy provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The VEC continues to comply with the requirements of the National Competition Policy.

**Freedom of information**

The *Freedom of Information Act 1982* (FOI Act) gives Victorians the right to access certain classes of documents held by Government agencies. Staff are regularly reminded of their obligations under the FOI Act and staff memorandums relating to registration, retention and storage of documents were regularly issued. No Freedom of Information applications were received by the VEC in 2013-14. For information about how to lodge an application under the FOI Act see [vec.vic.gov.au](http://vec.vic.gov.au) or Appendix E.

**Information privacy**

The VEC collects and handles personal information in relation to both the Victorian public and VEC staff in order to fulfil its functions under the *Electoral Act 2002*. The VEC's policies regarding management of personal information comply with the *Information Privacy Act 2000* and are set out in its Privacy Policy, which is available at [vec.vic.gov.au](http://vec.vic.gov.au) or at the VEC.

During 2013-14, the VEC Privacy Awareness Officer attended privacy network meetings on a regular basis and relevant information was disseminated to staff. Privacy awareness activity continued during 2013-14 to help ensure that VEC staff continue to implement information privacy procedures.

In an internal review of information privacy practices at the VEC, a number of non-critical issues were identified, and an action plan has been developed for implementation in 2014-15.

No complaints in relation to breaches of information privacy were received by the VEC during 2013-14. Each year, the VEC receives a number of queries relating to the release of information to certain people and organisations in accordance with legislation. The VEC responds to these queries explaining the conditions of release and advising that while correspondents may object to the release of their information, it does not constitute a breach of privacy.

**Information and records management**

The VEC has responsibility for election materials and other documents that must be stored and kept for the future. The VEC has directed considerable effort to training staff in records management, and updating and maintaining its document control, filing and archiving.

A report of the review of records management processes and support, undertaken at the request of the VEC, by HLB Mann Judd in 2012-13 was provided to the VEC in 2013-14. A corrective action plan has been developed, and implementation commenced.

A singularly important component of the action plan has been the audit and management of historical records and legacy files which became the responsibility of the VEC when it was established. The VEC records administrator has carried out systematic sorting, registration and documenting of these old records to help ensure all public records held by the VEC are retained and preserved for future generations. Of interest have been a number of old electoral records, newsletters and correspondence evidencing electoral activity from as far back as the 1860s. All important and permanent public records will be transferred to the Public Records Office of Victoria (PROV). The VEC thanks the Public Records Office of Victoria for its continuing support in relation to records management.

### Disclosure index

The Annual Report of the VEC is prepared in accordance with all relevant Victorian legislation and pronouncements. A disclosure index has been prepared to facilitate identification of the VEC's compliance with statutory disclosure requirements. The disclosure index is included as Appendix A.

### Protected Disclosure Act 2012

The VEC is committed to the aims and objectives of the *Protected Disclosure Act 2012* (PDA). Improper conduct by its employees, officers or members is not tolerated, nor is the taking of reprisals against those who come forward to disclose such conduct.

The VEC recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. The VEC will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible. There were no disclosures under the PDA during 2013-14. For details about reporting procedures under the PDA see Appendix D.

### Pecuniary interest declarations

The Electoral Commissioner and relevant managers completed declarations of pecuniary interests as required.

### Attestation to Public Sector Standards Commissioner

The Electoral Commissioner completed the annual attestation of hospitality and gifts as required.

### Compliance with the Disability Act 2006

The *Disability Act 2006* requires that all public sector bodies prepare a disability action plan and that departments report on the implementation of their disability action plan in their annual report.

### Environmental performance

The VEC has continued its commitment to reducing the negative impact of its operations on the environment with ongoing communication and information programs to encourage continued positive behavioural changes.

The VEC Environmental Sustainability Report for 2013-14 is included as Appendix M.

### Compliance with other legislation

The VEC is subject to, and complies with a range of legislation as listed in Appendix B, and detailed in this report as applicable.

### Additional information available on request


Information relating to the 2013-14 reporting period is made available to Ministers, Members of Parliament and the public on request (subject to the *Freedom of Information Act 1982*) and is listed in Appendix C.




Victorian Electoral Commission  
Level 11, 530 Collins Street  
Melbourne Vic 3000  
T (03) 8620 1100 F (03) 9629 8632  
vec.vic.gov.au

**Attestation for compliance with the Australian/New Zealand Risk Management Standard**

I, Warwick Gately AM certify that the Victorian Electoral Commission has risk management processes in place consistent with the AS/NZS ISO 3100:2900 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The audit committee verifies this assurance and that the risk profile of the Victorian Electoral Commission has been critically reviewed within the last 12 months.

  
Warwick Gately AM  
Electoral Commissioner

18 August 2014

Victorian Electoral Commission 



Victorian Electoral Commission  
Level 11, 530 Collins Street  
Melbourne Vic 3000  
T (03) 8620 1100 F (03) 9629 8632  
vec.vic.gov.au

**Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 - Insurance**

I, Warwick Gately AM certify that the Victorian Electoral Commission has complied with Ministerial Direction 4.5.5.1 – Insurance.

  
Warwick Gately AM  
Electoral Commissioner

18 August 2014

Victorian Electoral Commission 



# OUR CORE BUSINESS

## Strategic intent

The VEC will provide high quality and innovative opportunities for Victorians to participate in the democratic process

## Enablers

- Comprehensive electoral event programs
- An engaged and informed community
- Strong and effective partnerships
- Contemporary, innovative services delivered effectively

## Achievements 2013-14

- All elections, by-elections and polls on schedule, conducted within budget and in accordance with legislation, rules and guidelines
- Interstate secondment of three staff to the South Australian Electoral Commission for a total of 16 days
- Voting services provided for four electoral bodies for six electoral events

## Strategic initiative 2013-14

Strategic initiative	1. Maintain an effective set of electoral event plans
Result 2013-14	A framework for electoral planning documents relating to events within the VEC's responsibility, and a review protocol for the maintenance of documents within the framework were developed and implemented
Outlook 2014-15	Ongoing review of the framework and planning documentation will continue in accordance with the protocol. State General election Plan implementation and evaluation at November 2014 State election

## Outlook 2014-15

- Conduct of the 2014 State election involving the provision of services to over 3.7 million electors voting for an estimated 700 candidates in 88 Districts and 8 Regions across Victoria
- Conduct of electoral representation reviews of 12 councils
- Registration of new political parties prior to State Election
- Review of certain political parties subsequent to State Election

## Priority strategic initiative 2014-15

Enabler	Strategic initiative	Success indicator
Comprehensive electoral event programs	2. Maintain and enhance support structures for electoral representation activities	Local Government Minister has the necessary information and recommendations to make decisions

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## OUR CORE BUSINESS

The VEC is an independent election services provider, with a recognised reputation for excellence and electoral innovation. Although the VEC's workload fluctuates with election cycles and work peaking in a major election event every two years. Other elections, by-elections, countbacks and polls are conducted throughout every year, and electoral representation reviews of councils take place within each four-year cycle.

### Electoral activity

The VEC conducted 33 electoral events during 2013-14 (see Figure 11) including seven council by-elections, ten council countbacks, seven liquor licencing polls and nine commercial elections, by-elections and polls. See Appendix F for further details. All events were conducted on schedule and within budget, with none failed or overturned.

Electoral event plans were reviewed and made ready as part of a strategic initiative project undertaken during 2013-14. Plans for electoral events that have been conducted were reviewed, evaluated and modified where necessary.

Figure 11: Electoral activity, 2009-10 to 2013-14

Type of activity	2009-10	2010-11	2011-12	2012-13	2013-14
State elections	0	1 (88 + 8)	0	0	0
State by-elections	1	1	1	2	0
Local government elections	0	0	0	78	0
Local government by-elections	4	6	3	1	7
Local government countbacks	8	15	6	7	10
Liquor licencing polls	5	10	2	5	7
Commercial elections, by-elections and polls	5	4	7	10	9
Representation reviews	0	9	28	0	0
Subdivision reviews	0	0	3	0	0
Total	23	46 (141)	50	103	33

## STATE GOVERNMENT ELECTORAL ACTIVITY

### State elections

On 29 November 2014, the VEC will conduct the State election, in which over 3.7 million eligible Victorians will cast their votes to elect the 58th Victorian Parliament. Representatives will be elected to 88 Legislative Assembly districts and eight Legislative Council regions.

A State election consumes significant financial, logistical, human and administrative resources. The Victorian Electoral Commission must exercise fiscal responsibility without compromising integrity or service delivery standards.

An event this size requires considerable planning, extensive preparation and co-ordination, details of which are made available on [vec.vic.gov.au](http://vec.vic.gov.au) in the 2014 State Election Service Plan. A report of the conduct of the 2014 State election will be published in 2015, and will contain evaluation, analysis and results.

The VEC's intention is that every eligible Victorian will vote at an election that is fully compliant with State law, transparent, fair and accurate, and delivered to the highest standards with efficiency and enthusiasm.

### State by-elections

A State by-election occurs if a Member of Parliament resigns or can no longer hold office. The VEC maintains the capability and capacity to conduct State by-elections as required, within minimum prescribed timeframes. No State by-elections were conducted during 2013-14.

### State electoral boundaries

State boundary redivisions are conducted periodically to help ensure fair and equitable representation for Victorian electors. During 2012 and 2013, the VEC provided administrative and technical assistance to the Electoral Boundaries Commission for the redivision of State electoral boundaries. The final boundaries were published in October 2013 and are available at the VEC, online at [ebc.vic.gov.au](http://ebc.vic.gov.au) and at council offices throughout the state. These new boundaries will apply from the issue of the Writs for the 2014 State election.

A redivision generates large projects relating to adjustments to elector details and quality assurance testing by the teams in Electoral Enrolment Branch of the VEC. They must ensure that every elector is accurately registered to the relevant electorate so that they each receive the correct election material. The Report of the Electoral Boundaries Commission 2013-14 is included as Appendix N.

### Executive Services – Complaints Management

Our major contribution during the 2014 state election period will be complaints management. We ensure that complaints and queries relating to all aspects of the election are managed efficiently and effectively, and recorded accurately in case the matter becomes the subject of a review or appeal.

Making sure complaints are handled sensitively and that outcomes are satisfactory and in accordance with legislation and VEC processes can be complex, and resolving a complaint often involves consultation with voters, candidates, political parties, Election Managers and officers across the VEC.

Our work does not stop with the election, as we then turn our focus to the production of a comprehensive Election Report, which must be tabled in Parliament within 12 months.



Aileen Duke and Glenda Brown





# LOCAL GOVERNMENT ELECTORAL ACTIVITY

## Local government elections

Local government elections are conducted within a legislative and regulatory framework. Section 74A (1) of the *Constitution Act 1975* provides that local government is a distinct and essential tier of government, consisting of democratically elected councils.

The *Local Government Act 1989* (LG Act) is the principal legislation governing the conduct of local government elections in Victoria and the filling of extraordinary vacancies. Detailed provisions for the elections are contained in the Local Government (Electoral) Regulations 2005. The *City of Melbourne Act 2001* and City of Melbourne (Electoral) Regulations 2012 make provisions for the conduct of elections for the Melbourne City Council. The *City of Greater Geelong Act 1993* also provides for a directly elected Mayor on Greater Geelong City Council.

The most recent general elections for local government in Victoria were held in October 2012.

## Local government by-elections and countbacks

During 2013-14, the VEC conducted seven council by-elections and ten countbacks to fill 17 extraordinary vacancies that occurred leading into or during the year. At the end of the year, the timeline had also commenced for one further by-election and a countback, where the extraordinary vacancy occurred during 2013-14 but is not scheduled to be filled until the next reporting year. Details of the by-election and countbacks conducted during the 2013-14 year are included in Appendix F. A report on each by-election and countback was prepared and provided to the relevant council within the legislated three month period.

The number of extraordinary vacancies was greater than 2009-10, the previous reporting year that is comparable to this stage of the local government term, when four by-elections and eight countbacks were held.

The average cost per voter for the local government by-elections was \$3.20. All by-elections were conducted using postal voting and the cost does not include compulsory voting enforcement services, which councils may engage the VEC to administer.

In 2013-14, all countbacks were held locally within the municipality using the VEC's internet based computer countback application. The average cost of a countback held in 2013-14 was \$2,658. The cost of a countback includes public notices, configuration of the countback application, and staff time.

A further countback is where a countback has already occurred and the successful candidate at the countback has failed to declare that they are eligible to be elected within the prescribed time in the LG Act (48 hours). Although this is counted as a separate countback, there is no additional advertising for the second countback and they are invoiced to councils as a single event. There was one further countback during 2013-14.

All by-elections and countbacks were conducted in compliance with legislative requirements, within budget and with no elections failed or overturned. The VEC achieved its aim of providing value for money local government election services.

## Other elections and polls

Under Victorian legislation, the VEC is required to conduct certain elections and polls. Depending on the legislation, these elections and polls may be partly or wholly funded by the VEC. The VEC also conducts fee-for-service and non-statutory elections that meet certain criteria, including the number of voters, the existence of formal election rules and election timing.

The VEC conducted seven liquor licencing polls, and nine commercial elections, by-elections and polls during 2013-14. All were conducted in accordance with legislation, regulations or rules, on time and within budget.

## Review of council structures

Conducted by the VEC under the LG Act, an electoral representation review helps ensure fairness and equity for council voters. An electoral representation review considers the number of councillors and the internal electoral structure of a council. A council must be reviewed before every third general election.

An electoral subdivision review may be conducted between electoral representation reviews to adjust ward boundaries within a municipality. A subdivision review may be requested by the Minister if any ward within a municipality is deemed unlikely to meet the legislative requirement that the ratio of voters to councillors is within 10% of the ratio in any other ward in that municipality.

No electoral representation reviews or subdivision reviews were scheduled to be conducted during 2013-14. The next reviews will commence early in 2015, so planning has commenced to ensure that the VEC is in a position to conduct all scheduled reviews as required by current legislation.

# INTERACTION WITH ELECTORAL BODIES

Remaining a leader in the Australian electoral industry, the VEC will continue to introduce innovations to increase efficiency, transparency and participation in elections, by developing and maintaining relationships with a range of organisations in the electoral industry. The VEC is also committed to recommending and advising on relevant legislative change.

During 2013-14, the VEC worked with various electoral bodies to help advance the industry practically and legislatively in an effort to increase innovation and electoral harmonisation across Australia.

## Electoral Council of Australia and New Zealand (ECANZ)

The Electoral Council of Australia and New Zealand (ECANZ) is a consultative forum with membership comprising Commonwealth, New Zealand, State and Territory Electoral Commissioners. This recognises the strong association and commonality existing between these organisations. It met twice in 2013-14.

ECANZ considers best practice and innovation in activities such as the maintenance of electoral rolls, the operation of new electoral legislation and the management of elections. During 2013-14, the ECANZ consulted on a range of issues including the Federal direct enrolment and update program, State enrolment stimulation activities, technology in elections, e-learning and electoral education and electoral research. Through ECANZ, as a major research work, the VEC provided support in the production of the report on Internet Voting in Australian Electoral Systems, which is available on the ECANZ website.

Electoral roll management, technology, education and research will continue as a focus for ECANZ in 2014-15.

## State and Territory Electoral Commissions

State and Territory Electoral Commissions (STEC) is a forum established by State and Territory Electoral Commissioners to consider electoral policy, research and operational matters of mutual interest. STEC consists of the Electoral Commissioner from each State and Territory and since October 2012, New Zealand. The Australian Electoral Commission also participates in STEC activities other than those related to the conduct of council elections.

STEC also provides the opportunity for personnel within each commission to collaborate on projects with similar objectives and to share resources across jurisdictions. During the reporting period STEC met on two occasions, concluding the work on performance measurement and common reporting definitions and expanding the knowledge around better informing and engaging with culturally and linguistically diverse persons. This may in the future be extended to include those persons also managing a disability. Effective collaboration under the banner of STEC was strongly evident with a combined hardware purchase by Victoria, Queensland and New South Wales with resultant cost benefits. This was followed in April/May with Queensland and Western Australia being provided with the VEC developed *BoundaryMaker* application for use in managing their electoral redivisions. This expanded user group will contribute to the currency and longevity of this application.

## Electoral Boundaries Commission

The VEC is required by legislation to provide administrative and technical services to the Electoral Boundaries Commission. The Report of the Electoral Boundaries Commission 2013-14 is included in this Report (Appendix N).

A redivision of the State was concluded in October 2013, the first for both Houses of Parliament since 2001. The VEC, as required by legislation, provided administrative and technical services to the Electoral Boundaries Commission, which comprised the Chief Judge of the County Court, the Surveyor General and the Electoral Commissioner. Following a call for public submissions and after conducting public hearings, proposed electoral boundaries were published on 27 June 2013. This was followed by a period of further public consultation with the final boundaries published early October 2013. The final boundaries will apply at the issue of the Writs for the State election in November 2014.

## Electoral Matters Committee

The VEC has an interest in the work of the Electoral Matters Committee (EMC), a Joint Investigatory Committee of the Parliament of Victoria. The EMC comprises five Members of Parliament drawn from both Houses. Its powers and responsibilities are determined by the *Parliamentary Committees Act 2003*.

In September 2013, the VEC hosted the EMC for a demonstration of the vVote electronically assisted voting system and the electronic ballot paper draw application. Also the VEC appeared before the Committee in May to discuss the 2014 State election service plan. The EMC tabled their report into the Future of Victoria's Electoral Administration in March and the VEC provided a response in relation to several of the matters raised. In early June the VEC provided a submission to the Committee in support of their Inquiry into the Impact of Social Media on Victorian Elections and Victoria's Electoral Administration.

### Arrangements with other electoral agencies

In a reciprocal arrangement, the VEC provides election services such as voting services and information provision for other electoral agencies (See figure 12).

A VEC staff member attended the by-election for the Federal Queensland Division of Griffith in February 2014, to observe the implementation of new processes at the by-election for the security and tracking of ballot material. Initiatives included the provision of double lock security storage units at early voting locations; transparent, security lockable containers for the transport and storage of ballot papers at voting centres, and secure storage facilities at the Divisional Office with check-in and check-out procedures and limited access to staff. During early and election day voting all election officials wore visibility vests that clearly identified them as election officials. The VEC has reviewed these initiatives and will implement a number at the November State election.

The VEC also provides staff secondment to other electoral agencies in Australia (and occasionally overseas) for short periods to provide assistance and expertise at electoral events. During Victorian election periods, reciprocal services are provided to Victorian voters by these agencies. Figure 13 shows the staff provided by the VEC during 2013-14.

### International electoral bodies

The VEC hosted an international delegation from the Independent High Electoral Commission of Iraq during 2013-14. The Electoral Commissioner and representatives from key areas of the VEC presented information about the VEC and the Victorian electoral system.

Figure 12: Voting services provided for other electoral agencies, 2013-14

Election date	Jurisdiction	Election	Total votes
30/11/2013	New Zealand	Christchurch East By-election	0
15/03/2014	South Australia	South Australian State Election	420
15/03/2014	Tasmania	Tasmanian House of Assembly Elections	12
12/04/2014	Northern Territory	Legislative Assembly By-election - Blain	0
03/05/2014	Tasmania	Legislative Council Election - Huon	0
03/05/2014	Tasmania	Legislative Council Election - Rosevears	3

Figure 13: Staff secondments to other electoral agencies, 2013-14

Election date	Jurisdiction	Election	Total Staff	Total days
15/04/2014	South Australian Electoral Commission	South Australian 2014 State General Election	3	16

## WAREHOUSE

Warehousing and distribution facilities play a major role in supporting the core business of the VEC. In an election year, activity becomes frenetic as the preparations and planning evolves into implementation. Activities that have been completed by staff at the VEC warehouse during the 2013-14 period include:

- implementation of new plant and equipment register
- safe working procedures and risk assessments
- inspection of over 1,000 electrical items for manuals, missing parts and 'test and tag' of cables
- storage of around 2,500 pallets of office and voting centre cardboard for the upcoming state election
- storage of around 500 pallets of stationery, forms and envelope material
- preparation of 88 consignments in readiness for dispatch to election offices for the 2014 State election
- assisting with maintenance and stock take of an additional 100 promotional and educational item groups
- storage of 500 pallets of ballot paper material and 133 pallets of EasyVote guide and brochure paper
- annual stock take of approximately 700 items
- 4,000 voting centre stationery kits created
- 200 election office stationery kits created
- 88 election office equipment cages created

### Election Services – Information Technology

I am working on the procurement and roll out of hardware to enable electronic roll mark off and electronic roll lookup at the 2014 State election. This involves the creation and refinement of the software and ensuring sufficient hardware is available. It's given me an excellent opportunity to work cooperatively with colleagues within the VEC and from six interstate commissions. In what has become a significant joint venture, we have tendered for and purchased more than 5000 tablet computers, and gathered together more than 1000 netbook computers for deployment in voting centres.



Gary Eddy



## REGISTER OF POLITICAL PARTIES

The *Electoral Act 2002* (the Act) requires the VEC to establish and maintain a register of political parties.

In order to qualify for registration, a political party must have a written constitution and at least 500 members who are Victorian electors, party members in accordance with the party's rules, and not members of another registered political party or of a party applying for registration.

It is not compulsory for political parties to be registered to contest an election, but registration gives a party a number of important entitlements. These include:

- the right to have the party's name on ballot papers
- access to enrolment and voter information on a periodic basis
- public funding for parties that attain a specified level of first preference votes.

### Applications for registration of political parties

Between April and June 2014, the VEC received five applications to register a political party. The parties applying for registration were:

- Palmer United Party
- People Power Victoria – No Smart Meters
- Vote 1 Local Jobs
- Voluntary Euthanasia Party (Victoria)
- Rise Up Australia Party.

As required by the Act, the VEC advertised each application and invited objections to the registration of the party. The VEC also wrote to the people on the lists provided by the parties, asking them to confirm whether they were members of the party who could be counted for registration purposes. The VEC relied on responses to the mail-outs as a primary indicator of whether a party had sufficient eligible members to gain registration. As is its customary practice, the VEC allowed parties to send supplementary lists of additional members if the parties had not reached 500 confirmed "Yes" responses but appeared likely to do so. None of the applications was finalised by 30 June 2014, though the Palmer United Party was registered on 1 July 2014.

### Changes to the Register of Political Parties

The VEC received applications from several registered parties for changes to such matters as the address of the party and deputy registered officers. The Country Alliance changed its name to Australian Country Alliance. On 29 May 2014, the VEC received an application from Mr John Mulholland to change the registered officer of the Democratic Labor Party (DLP) of Australia to himself. The application was contested by the current registered officer, and had not been decided by 30 June 2014.

See Appendix I for details of Registered Political Parties at 30 June 2014.

### Election Administration – Election Officials

I've been working on the employment and payroll application that is being rolled out to service the thousands of election officials who will be appointed to work at the 2014 State election. It has been an exciting and challenging project. Although the work has been intensive, seeing the application come to life and providing more streamlined services to our much-valued election officials is very rewarding.



Monica Leon Nungo



## RESEARCH AND DEVELOPMENT

### Research

The VEC has engaged OurSay Pty Ltd to use social media platforms to encourage awareness of and participation in the State election particularly by young people. OurSay will create online social forums for each of the 88 electoral districts, enabling voters to share and prioritise questions for candidates. The VEC anticipates this project will attract young and first-time voters, and will use the data collected to inform future social media use in relation to electoral communication and engagement.

At each State election, the VEC engages a social research company to conduct an independent evaluation of the VEC's services and communication campaign at the election. Feedback is sought from voters, candidates, political parties and election officials. The VEC invited three companies to submit proposals by 29 May 2014, and was still considering the proposals as at 30 June 2014.

### Electoral Regulation Research Network

The VEC joined with the New South Wales Electoral Commission and the University of Melbourne in March 2012 to establish the Electoral Regulation Research Network (ERRN). The purpose of the Network is to foster exchange and discussion among academics, electoral commissions and other interested groups on research relating to electoral regulation. ERRN continued to host seminars on a range of matters, including the 2013 Malaysian general election, the Unions NSW case and its implications for campaign finance regulation, and "Improving the local government electoral system", presented by Mr Petro Georgiou AO (Chair, Local Government Review Panel). Twenty-one events and workshops were sponsored by ERRN in 2013-2014.

ERRN has sponsored a collaborative research project on "Enhancing local government democracy", examining the nature of local government democracy in the City of Melbourne. Key research questions for the project are:

- How do the relationships that operate within the City of Melbourne affect governance?
- How are the relationships affected by the franchise and other forms of participation?
- What reforms would be consistent with representation of the various interests of residents and non-residents in the City of Melbourne?

Research methods have been varied, including gathering documentary data and conducting online surveys, focus groups, and interviews with leading stakeholders. The research has uncovered very mixed views about the franchise and participation. Findings will be publicised in a report and an article in a scholarly journal in early 2015.

### Developments in information and communications technology

The effective provision of electoral services is increasingly reliant on information and communications technology. Within the election event continuum, from electoral roll production through to vote counting and the dissemination of results, the VEC must respond to the speed and effect of technological change and the needs and interests of stakeholders. This requires a clear strategic direction, in turn driving technology renewal and investment.

Incremental technology renewal is advancing; redevelopment of the Election Management System, development of electronically assisted voting, implementation of an integrated HR management and payroll system and redevelopment of the VEC website have all occurred this year.

In the next year an online enrolment application and possibly an online postal vote request system will be available, streamlining these services to Victorians. A review of the VEC's Roll Maintenance System will also be conducted with the prospect of a future collaborative development with NSW. An increasing national interest in electronic voting will require a review of the VEC vVote system and a strategy developed on its future role in the Victorian electoral landscape.

Yet as technology advances, legitimate concerns arise with regard to information management, not only concerning security and privacy but also continuity of access and use during a disruption to activity. The VEC will need to be alert to these matters under any technology renewal program.

### Election Services – Infrastructure

My team is working on the infrastructure for the 2014 State Election including identifying and negotiating leases for offices across Victoria. These offices will provide the venue for administration related to the conduct of 2014 State election including nominations, enrolment and voting.

This is the first election I have been involved in and I am excited to be a part of it and for the challenges that lie ahead.



Sarah North



# OUR VOTERS

## Strategic intent

The VEC will provide high quality and innovative opportunities for Victorians to participate in the democratic process

## Enablers

- A complete, secure and accurate register of electors
- An engaged and informed community
- Strong and effective partnerships
- Contemporary, innovative services delivered effectively

## Strategic initiative 2013-14

Strategic initiative	6. Design and implement responsive electoral education and awareness programs
Result 2013-14	2014 Community Education and Engagement Plan developed and implementation commenced
Outlook 2014-15	2014 State Election Marketing Communication Plan, covering media, social media, advertising and research activities for 2014 State election will be completed and implemented  Planning framework for education/outreach and public awareness programs to 2018 will be completed and implementation commenced

## Achievements, 2013-14

- The VEC conducted all elections, by-elections and polls on schedule, within budget and in accordance with legislation, rules and guidelines

## Outlook 2014-15

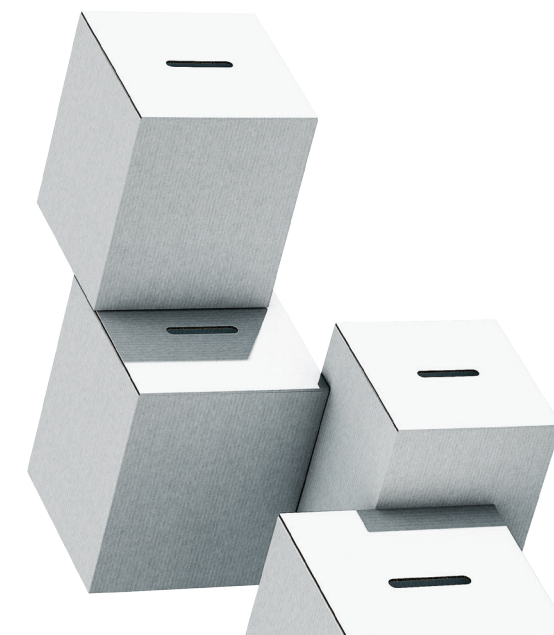
- Launch of online enrolment service scheduled for August 2014
- All new roll and mapping products created to reflect new State electoral boundaries
- Multi-media communication campaign aimed at increasing participation in 2014 State election
- Education and engagement activities to focus on 2014 State election participation

## Priority strategic initiatives 2014-15

Enabler	Strategic initiative	Success indicator
A complete, secure and accurate register of electors	3. Review and improve enrolment programs	• Enrolment program targets achieved
	4. Review and improve enrolment systems	• Enrolment transactions captured effectively • Enrolment systems are elector-centric • Successful security audit outcomes

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# ENROLMENT

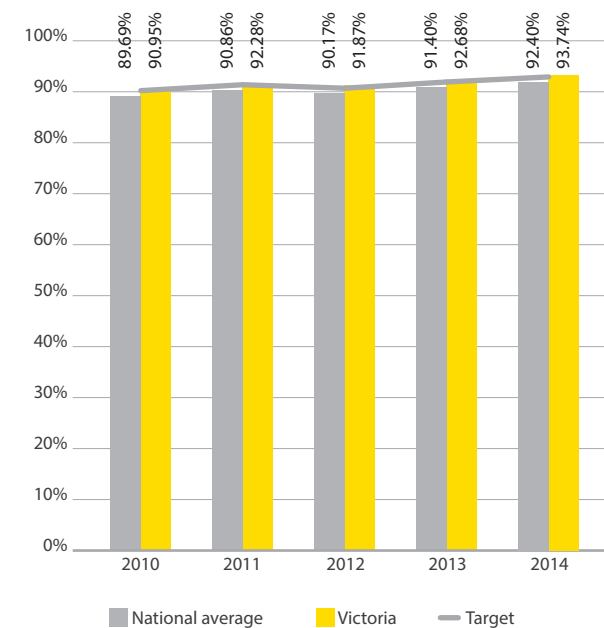
Facilitation of participation in the democratic process by all Victorians is a central aim of the work of the VEC. Activities undertaken in the electoral enrolment, communication, electoral education and electoral engagement areas throughout 2013-14 supported this aim.

Key objectives for the VEC are to maintain the accuracy and security of the Register of Electors; to annually increase the proportion of eligible electors enrolled; and to maintain this measure at a level higher than the national average. The VEC undertakes a range of activities to keep the Register of Electors current and complete, and to ensure electors vote and do so correctly.

## Register of Electors

The number of Victorians enrolled to vote increased by 103,089 to 3,766,046 (2.81%) in 2013-14. This is the largest increase in the past five years (see Figure 14). A significant proportion of these enrolments may be attributable to the direct enrolment program which is now at almost full implementation. Using available data, it is estimated that 93.74% of eligible electors are enrolled. This is slightly more than the national figure of 92.40% and just over the VEC's target of at least 1% higher than the national average.

**Figure 14: Proportion of voter eligible population enrolled at 30 June 2010-2014**



## Enrolment Programs

The VEC undertakes a number of Continuous Enrolment Update (CRU) programs. In the past these programs solely assisted electors to enrol and to keep their enrolment details up-to-date.

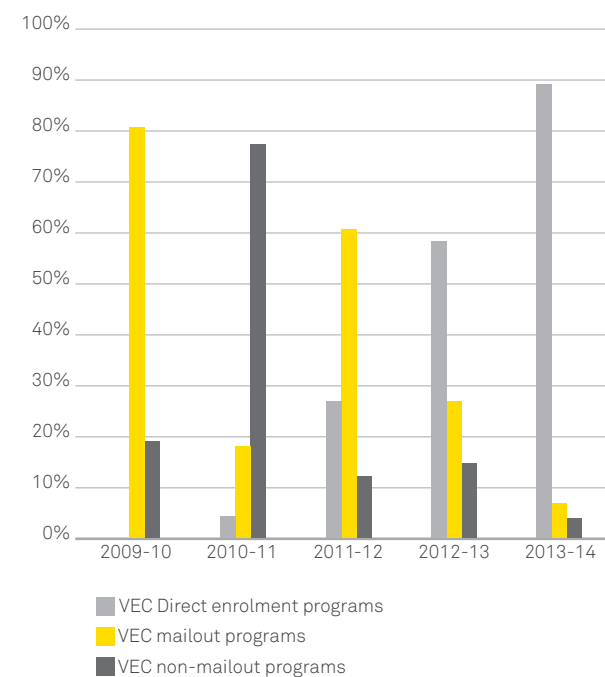
Following legislative changes, the VEC introduced direct enrolment in 2011-12. As a result, the CRU programs were modified to enable the VEC to directly enrol eligible citizens using its external data sources. These people are sent a letter advising them of the VEC's intention to directly enrol them, and asking them to advise the VEC if they are not eligible to be enrolled. Where eligibility cannot be confirmed, an enrolment form is sent.

During 2013-14 the VEC continued to improve and increase its direct enrolment program. A further legislative change in June 2013 has enabled the VEC to use federal enrolment data as a source for direct enrolment in addition to the current data sources, including the Victorian Curriculum and Assessment Authority (VCAA) for young electors and VicRoads data more generally.

As expected, this has resulted in a significantly greater number of enrolments being achieved through direct enrolment, growing from 58.47% of total VEC enrolment transactions in 2012-13 to 85.76% of total enrolments in 2013-14 (see Figure 15).

The VEC's enrolment programs generated 287,254 enrolment applications in 2013-14 amounting to 37.95% of total Victorian applications received by both the VEC and the Australian Electoral Commission (Figure 16). This is an excellent result against a target of 25%.

**Figure 15: Enrolments from VEC programs, 2009-10 to 2013-14\***



\*Figures restated

## Youth enrolment

Eligible Victorians may enrol at 17 years of age, but cannot vote until they turn 18. Data collected under the CRU program enables the VEC to directly enrol all electors as they become eligible to enrol. The VEC has a birthday card program that uses VCAA data to identify students who are eligible to provisionally enrol at 17, and to send them a birthday card with an enrolment form. The VEC will also directly enrol young people at 18, if they have not responded to the birthday card they received.

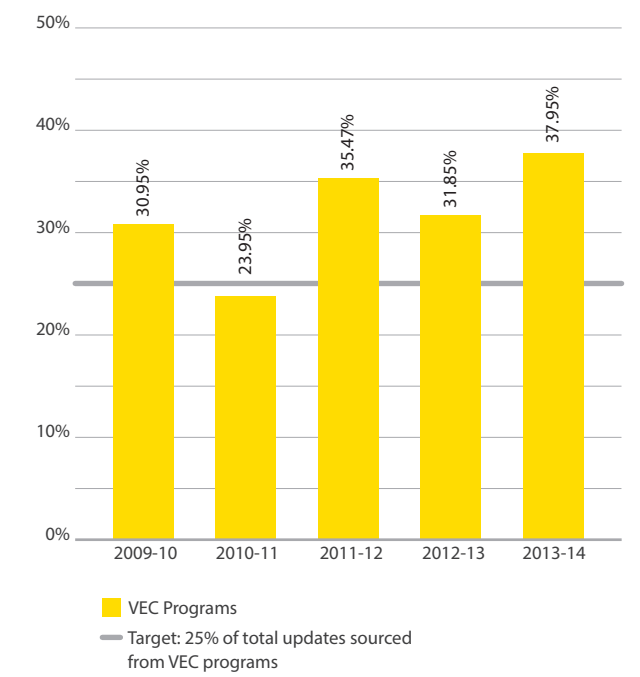
## Compulsory enrolment

Compulsory enrolment has been a feature of Victoria's electoral legislation since 1923. By law, eligible electors who do not enrol or keep their enrolment details current can be prosecuted and fined one penalty unit. A conviction may also be recorded.

With the introduction and success of direct enrolment compliance with compulsory enrolment provisions has become more convenient for the majority of electors. The VEC's electoral education and engagement team will continue to investigate ways of targeting the voting-eligible population not captured by direct enrolment activity.

One complaint was received during 2013-14 in relation to the VEC's authority to conduct direct enrolment, along with a number of requests for clarification on the same topic. All were resolved.

**Figure 16: Proportion of enrolment updates sourced from VEC programs, 2009-10 to 2013-14\***



\*Figures restated

# TURNOUT

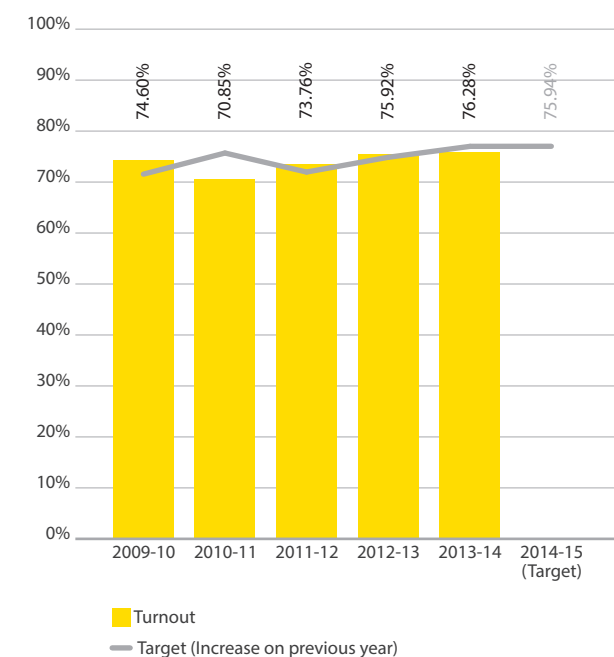
Turnout is measured as the number of formal and informal votes received by the close of voting in an election as a proportion of enrolment. The VEC provides an increasing number of services to electors to help ensure that all enrolled electors turn out to cast their vote. These include information services prior to, and on election day, as well as a variety of voting options and aids.

## Turnout at local government by-elections

Seven local government by-elections, including one mayoral by-election, were conducted during 2013-14. The average turnout rate was 76.28%, meeting the VEC's target of an increase year to year (see Figure 17), and higher than the average turnout during 2012-13 (75.92%). It is an increase on the average turnout for the last five-year period (74.28%), and more favourable than the average turnout rate for the local government general elections held in October 2012 (70.96%).

Local government by-election turnout rates are generally lower than the turnout at State by-elections. The main reason is that for non-residents, voting at local government by-elections is not compulsory. Other factors include lower awareness of the election due to less media attention, the perception that only property owners (as opposed to tenants) are required to vote in local government by-elections, and the fact that people over 70 years of age are automatically excused if they do not vote.

Figure 17: Average turnout, local government by-elections, 2009-10 to 2013-14



## Electoral Education – Passport to Democracy

I'm not in this photo, but here, year 9 students at Parade College are taking part in a mock-election as part of the Passport to Democracy course. Students formed political parties on an identified community based issue, presented their campaign speeches and then proceeded to vote for a best solution to an issue.

The Passport to Democracy course aims to provide an opportunity for young people to participate in their communities, by identifying issues on which they would like to take action on.

Throughout the course students learn about three levels of government, who represents them and how voting is one way of having a voice.

While these students won't be voting at the 2014 State election, taking part in the Passport to Democracy program means they will be more likely to participate when they reach voting age. We'll look forward to hearing from them as voters at the 2018 State election, or maybe as a candidate or election official too.



Daniejela Spoljaric



# ENFORCEMENT OF COMPULSORY VOTING

After the conduct of elections, by-elections and polls in which voting is compulsory, the VEC carries out compulsory voting enforcement where legislated and when a council contracts the VEC to do so. In order to conduct compulsory voting follow-up for councils, the Chief Executive Officer must appoint a VEC staff member as the prosecution officer.

Three stages of enforcement (or non-voter follow-up) are managed by the VEC.

Stage 1. Dispatch of Apparent Failure to Vote Notices to those electors who appear not to have voted in an election. Apparent non-voters have 28 days from the date of the notice to provide a valid excuse for failing to vote.

Stage 2. Follow-up (by Infringement Notice) of electors who did not respond, or who provided an invalid response to the Apparent Failure to Vote Notice. A penalty amount is applied (currently set at \$72.00). Non-voters have 42 days to respond to the Infringement Notice by making the penalty payment or seeking a review of the penalty. Consideration is also given to written correspondence detailing reasons for failing to vote.

Stage 3. A Penalty Reminder Notice is sent to those who do not pay the infringement penalty. An amount for prescribed costs is added to the original penalty amount.

Where the VEC conducts non-voter follow-up for State elections, by-elections or liquor licensing polls, a final non-voter file is lodged with the Infringements Court for further action. In 2013-14, the VEC continued enforcement of compulsory voting for one by-election, three liquor licensing polls and the 2010 State election. Enforcement of compulsory voting commenced for four liquor licensing polls and the VEC concluded non-voter follow-up for one State by-election and three liquor licensing polls. Penalties collected are transferred to consolidated revenue.

Where non-voter follow-up is conducted on behalf of a municipal council, the VEC provides the council with a final non-voter list and an Infringements Court file. The council makes a decision about further follow-up. In 2013-14, the VEC commenced enforcement of compulsory voting for six councils following local government by-elections. The VEC also concluded non-voter follow-up for two local council by-elections. Penalties collected are transferred to the council twice during the enforcement process, the first at the end of the infringements stage and the second at the conclusion of the penalty reminder stage.

Appendix G provides details of all apparent non-voter follow-up and compulsory voting enforcement conducted during 2013-14.



## 2014 State election advertising campaign

The 2014 advertising campaign features a cast of characters, representative of the diversity of Victoria's voters.

Wherever possible, each advertisement opens with a real electoral statistic, and this is usually paired with a large, balanced, see-saw.

For example, one advertisement opens with 'In 2006 the seat of Ferntree Gully was won by just 27 votes'. These statements (based on actual election margins) have been chosen to demonstrate how close many elections are and the significance of each vote. The see-saw is a visual metaphor to reinforce the concept.





## INFORMAL VOTING

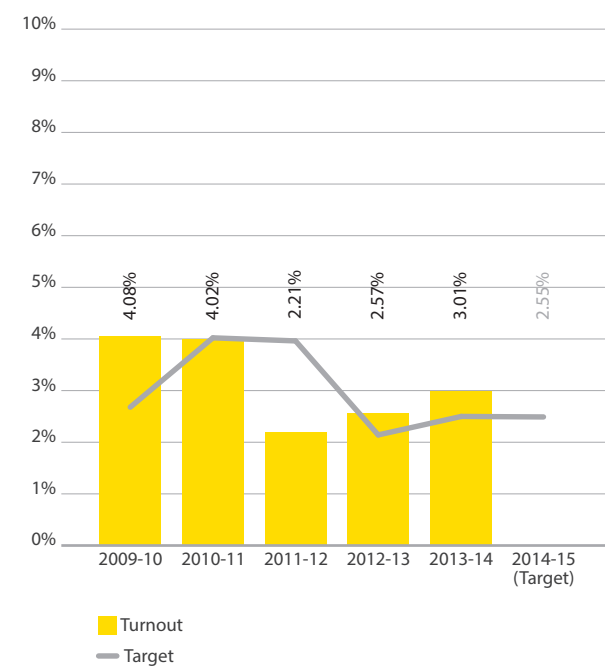
A vote is declared informal when an elector does not complete their ballot paper according to the instructions, or their voting intention is not clear. The VEC aims to increase electors' understanding of how to cast a formal vote. The VEC conducts an analysis of informal voting after each State election and by-election to assist with developing strategies to help reduce informal voting.

Advertising and communication campaigns are designed to help ensure that Victorians are provided with voting information in accessible formats. Information is available in languages other than English, and telephone interpreter services are provided all year round. VEC electoral education and engagement programs aim to provide Victorians with the motivation and knowledge to cast a valid vote.

### Informality rate at local government by-elections

The average informality rate for local government by-elections conducted in 2013-14 was 3.01%, which is lower than the average of 3.18% for by-elections conducted in the past five years (see Figure 18).

**Figure 18: Average informality rate, local government by-elections, 2009-10 to 2013-14**



### Election Services - Print and Design

Leading and being part of the Print and Design team is an inspiring and very satisfying experience. Heading a team that is highly creative and innovative makes me proud.

My team will generate artwork and coordinate the printing and delivery of ballot materials, which are at the heart of the State election.



Madhu Rangaswamy

## SERVICES FOR VOTERS WITH SPECIFIC NEEDS

The VEC provides a wide range of information, resources and education outreach services to help voters participate in the electoral process. Whilst available to all Victorians, there is a special focus on communities typically under-represented, such as Indigenous Victorians, young people, those experiencing homelessness, those from culturally and linguistically diverse communities and electors with disabilities.

### Disability Action Plan

The VEC has a Disability Action Plan to address the way it provides services to people with disabilities. The Plan is informed by legislation, regulations and guidelines, and by the Electoral Access Advisory Group.

### Easy English Guides

Particularly suitable for people whose first language is not English or who have a low level of literacy, Easy English Guides are the most frequently requested publications the VEC produces. In preparation for the 2014 State election, the VEC updated its existing State Election publication. The new publication, Voting in the 2014 Victorian State Election, along with other VEC Easy English guides are available from [vec.vic.gov.au](http://vec.vic.gov.au) and from the VEC.

### Voting is for Everyone DVD

During 2013-14, a revised form of the VEC's Voting is for Everyone DVD was produced and 1,260 copies were distributed to key disability agencies and carers. This resource focuses on the importance of inclusion of people with a disability or multiple disabilities in the electoral process, and the practicalities for family members and carers. It has been an invaluable resource in the 18 education sessions run with disability advocacy groups across the year.

### Partnership with VALID

A partnership with the Victorian Advocacy League for Individuals with a Disability (VALID) has seen an additional nine disability sessions run with over 300 VALID member participants. At the commencement of the sessions, many believed that they were not entitled to vote after having been told for many years that their intellectual disability or inability to read and write would preclude them. At the end of these sessions, after exploring the importance of voting and assistance available to those living with a disability, including the availability of 'talking boards' at early voting centres for those with communication difficulties, many participants reported feeling empowered to enrol and vote.

This partnership is an important one; its value consistently indicated in feedback such as the following from a recent participant: "The government makes decisions that affect my life and my mum's life. I'm happy to find out that I am allowed to vote. I didn't think that was possible."

### Website accessibility

Working with the Office of Multicultural Affairs and Citizenship throughout 2013, the VEC helped define a best practice approach to how State Government websites provide information in languages other than English. This experience formed the basis of a project to refresh and further upgrade the VEC website.

Due for launch in August 2014, the new VEC website includes numerous accessibility features including:

- page content able to be read aloud in a range of languages
- improved quantity and availability of in-language content
- weighted font for ease of reading by people who have dyslexia
- the use of Plain English throughout, and
- Easy English conversions, accessed by an EasyEnglish button, on pages containing critical information.

The new site is compatible with a wide range of commonly used accessible software packages and has been independently verified as significantly exceeding the level of accessibility required for Government websites.

Most importantly, should a user have accessibility requirements that aren't already catered for, AccessIN has been incorporated on every page. This service connects users to a live support person who can provide the information they require while also delivering details about the problem to the VEC for further attention.

## COMMUNITY EDUCATION AND ENGAGEMENT

### SCOPE

After becoming the first Victorian State Government organisation to receive Communication Access Accreditation from SCOPE in the previous financial year, the VEC has taken this to the next level by introducing communication access training for staff at early voting centres at the 2014 State election. This commitment will ensure that trained personnel are available and able to assist people with complex communication difficulties, at early voting centres - the voting centres best equipped to provide them adequate time and attention.

### Accessibility of voting centres

The provision of fully accessible voting centres continues to be an area of focus for the VEC. Every effort is made to lease buildings and facilities that are accessible to people with disabilities. Every early voting and election day voting centre is rated according to its wheelchair accessibility. The audit complies with relevant Australian Standards and assesses building access, as well as the availability of accessible parking.

During 2013-14, the VEC has been working with the Department of Education and Early Childhood Development (DEECD) to target for upgrade works, schools that are used as voting centres. Funds are available as part of the DEECD's Accessible Buildings Program for accessibility works. If a school applies for funds for this purpose, the DEECD refers to a list of accessibility constraints listed in the VEC audit and ensures that appropriate remedies are included in any works undertaken. This work results from a commitment made in the Victorian State Disability Implementation Plan 2013-2014, requiring relevant agencies to develop an approach that will increase access to voting centres in electorates with no fully wheelchair accessible voting centres. For the past financial year, two schools have had accessibility remediation works performed or scoped.

### Electronic voting for special category voters

Supervised electronic voting (vVote) will be available at a number of early voting centres during the 2014 State election. Work has continued through the year on the infrastructure and software requirements to deliver gesture-based voting on tablet technology, which comes with audio prompts. Voting instructions will be available in audio and text in 19 languages plus English. Developed in conjunction with the University of Surrey (UK), this system will be the first fully verifiable voting system delivered worldwide - that is, voters will be provided with evidence that their vote was transmitted and received by the VEC as cast.

### Information Technology - vVote project

VEC has learned from e-voting challenges overseas and cooperated with several international academic experts to create vVote, VEC's accessible voting system. vVote is a world first - accessible universally verifiable e-voting.

vVote will be provided to people who struggle with paper ballots and who are more likely to cast an informal vote by accident or to not get their intention down correctly on paper. The system is for those Victorians who generally require assistance to vote on paper, due to a number of barriers or impairments.

We are very excited to provide vVote for the 2014 State election because it a pioneering development, an accessible voting system and a meaningfully transparent voting service.



Craig Burton

The VEC's community education and engagement work ranges from in-depth education about the importance of being active citizens in an Australian democracy, to the provision of information and awareness of elections to particular audiences - those people who may not necessarily access the VEC's broader election time campaigns, or who require specialist information according to their circumstances.

Underpinning the approach of the Community Education and Engagement Team are the principles of active citizenship. The approach is to empower people with the knowledge and skills to think critically about issues and actively participate in making change within their community, including voting in elections.

An active citizen approach to developing political literacy promotes the notion that an active citizen has the necessary knowledge, values and skills to take action, to be effective members of their community and to ultimately strengthen Victoria's democracy. The team believes that it is only when each of these elements is addressed that a change in voting behaviour is likely to result. An active citizenship approach leads to community members experiencing first-hand their ability to influence decision makers and to affect change, and consequently to value voting as a powerful tool to ensure their voice is heard.

This year the VEC has consolidated its efforts to effectively track the impact of its community education and engagement program. This includes the development of key performance areas for each area of the program and the use of keypad evaluation technology (KP1) which enables facilitators to measure attitudinal change and knowledge gained as a result of the workshop delivery.

KP1 is an interactive voting system that enables the workshop participants to provide immediate and anonymous feedback through the use of voting keypads.

The VEC offered specialised and tailored support presenting 140 activities to over 6,000 participants across Victoria.

### Passport to Democracy

*Passport to Democracy*, the VEC's successful and highly effective program for secondary schools, is now well into its seventh year. The program continues to engage students by linking the issues young people care about to the democratic process in Victoria. This year the program was delivered to 5,417 students across 90 TAFES and schools.

The VEC delivered citizenship-based teacher professional development through the Civics and Citizenship Network, the Victorian Applied Learning Association and the Victorian Student Representative Council - the peak body representing secondary students in Victoria. Nine professional development sessions were held with 75 teachers and pre-service teachers across Victoria.

### Engagement with Indigenous communities

A highlight for this year was the VEC's involvement in the Long Walk Women's luncheon. The Luncheon is a celebration of the achievements of Aboriginal and Torres Strait Islander (ATSI) women and brings together over 600 people from all walks of life. The VEC sponsored this event and the Electoral Commissioner launched the VEC's new My Vote, Your Vote, Our Vote DVD at the event. The DVD tracks the history of Indigenous enfranchisement and provides some powerful contributions by key ATSI elders in Victoria.

The VEC has also been consolidating its work with ATSI youth through its sponsored REAL (Real and Emerging Leadership) Camps and Laguntas Program within the Korin Gamadgi Institute (KGI).



# COMMUNICATION

The aim of the REAL Camps is to support identified, potential Aboriginal and Torres Strait Islander future leaders (aged 14 to 17 years) in developing leadership, health and wellbeing, cultural pride, explore their leadership potential within their community and encouraging their active participation in society.

Two hundred and thirty 14-16 year olds participated in 11 active citizenship sessions presented at REAL Camps during 2013-14.

The Laguntas Program is designed for young Aboriginal and Torres Strait Islander men (aged 16-18 years) and is an initiative of the KGI / Richmond Football Club and AFL Victoria. The Program provides genuine access to TAC Cup, VFL and AFL pathways. The Program also supports participants to build on cultural pride, leadership, health and wellbeing and helps the young men identify their career aspirations and potential pathways. One active citizenship session was held with the Laguntas program participants during 2013-14.

Key performance indicators were established for the VEC REAL camp sessions and the pre and post session attitudes and knowledge of one group of KGI camp participants were tracked using KP1 technology.

## Democracy Ambassadors – relationships with CALD communities

From research, anecdotal evidence and consultation with ethnic community organisations, the VEC has identified that new and emerging communities in Australia face varying barriers to full participation in elections and wider democratic processes. This may be due to a range of factors including literacy and language issues, limited understanding of democracy and the Australian electoral system and in some instances, a suspicion of government due to negative experiences in the country of origin.

The VEC's Democracy Ambassador pilot project aims to address these barriers by training and supporting community members to run electoral education sessions within their own communities. The pilot program is focusing on migrant communities from the Horn of Africa (Eritrea, Somalia, Ethiopia) and Sudan and South Sudan, with the intention of increasing political literacy and consequent participation in the electoral system.

The first phase of training was completed in November 2013, resulting in nine Community Educators being trained to deliver community sessions. Community sessions are currently being delivered to Horn of Africa, Sudanese and South Sudanese communities in Victoria. A further recruitment drive has resulted in over 50 applications with a second round of training scheduled for July 2014.

The VEC also continues to run electoral outreach sessions with CALD community groups. As a result of the 31 sessions delivered this year, 98% of participants understand that voting is compulsory, 93% understand how to vote correctly, and 88% are aware of the fact that voting assistance is available for people who have low English language literacy.

## Homeless not Voteless

The VECs Homeless not Voteless program aims is to ensure that everyone has access to the electoral process, regardless of their current living situation. The program provides enrolment outreach sessions in homelessness agencies, mobile voting in the lead up to elections plus training for homelessness workers around how to support clients to enrol and vote. During 2013-14, the program supported creating links between the homelessness sector and the Australian Electoral Commission in the lead up to the 2013 Federal Election.

## People living with a disability

In preparation for the 2014 State election, a dedicated Disability Outreach Officer was appointed to increase the VEC's engagement with the disability sector and run education sessions for people living with disabilities. Seventeen sessions were conducted for people in a range of disability groups, with the aim of increasing participants' awareness of their right to vote, the support available to assist people with disabilities to vote and their understanding how to vote correctly.

Disability awareness has been incorporated into the VEC's Senior Election Official (SEO) training program with the Community Education team delivering awareness sessions to all SEOs in the first phase of their training

A partnership has also been established with the Department of Human Services (DHS) to deliver State election information and education sessions across all DHS Disability Accommodation Services. The partnership aims to increase awareness of and participation in, the 2014 State election. Those living in supported accommodation services are typically more isolated and will benefit from this concerted outreach program.

## Your vote will help shape Victoria

Across Australia for the last decade, there has been a noticeable decline in electoral participation by voters in the 18-30 age group – multiple research projects have highlighted the reasons provided, such as the belief that one person/one vote can't make a difference, that politics has no connection to their day to day lives, that there are no young politicians or policies for young people. After using the same advertising campaign for three State elections, research was conducted to see if there was a better angle through which to catch the attention of these younger, typically disinterested electors.

The feedback from the 18-25 year olds involved in focus group sessions was that once aware that a small number of votes could make a difference to an election outcome they would be more inclined to vote and vote correctly. As a consequence, the VEC developed a new campaign based on concepts shown to the group.

Participants agreed that the previous slogan – Every Vote Will Help Shape Victoria was still largely relevant, but in response to the feedback the slogan was altered to Your Vote Will Help Shape Victoria to reflect the individual's responsibility. Further online testing during campaign production was very positive – particularly amongst younger voters who indicated that they had little interest in politics. The campaign also tested well with middle aged and senior voters. The new campaign will commence from late September 2014.

## SELECTIONS magazine

With an entirely new look, the VEC's annual stakeholder magazine, SELECTIONS is distributed to Members of Parliament, local councils and other stakeholders annually. The latest edition (due for distribution in July 2014) is focussed on the coming State election, the redivision of Victoria's State electoral boundaries in October 2013 and other key activity from 2013-14. The design complements the new VEC website, due to be launched in August 2014, presenting the VEC as an accessible, modern organisation.

## Social media

With no major electoral event in the 2013-14 financial year, the VEC used its social media channels to respond to enquiries and conduct research for the coming State election. Journalists are prolific Twitter users and the Communication Team follows many of Victoria's media voices to help communicate electoral information directly. Facebook has been used to communicate with a wider, less election-focussed audience.

## Website

The VEC website was redeveloped in 2013-14. The core architecture of the site was reviewed and simplified. Key areas of interest for users are grouped under fewer headings to make content easier to find, and the overall number of clicks required to access specific information has been reduced.

Scheduled for launch in August 2014, the website has a fresh look and feel, loads faster and is now fully responsive; meaning it dynamically adapts to work with mobile phones and tablets as well as regular computers.

## Outreach and Engagement- CALD Communities

Democracy Ambassadors is a VEC initiative in partnership with Ethnic Communities' Council of Victoria (ECCV). Twenty-three community educators from Horn of Africa (Eritrea, Ethiopia, Somali) and South Sudan were trained about voting and the democratic process in Victoria. Here I am 3rd from the left with a group of Democracy Ambassadors.

With the training completed, the Community Educators will now reach out to their communities with information sessions. This is particularly timely given the upcoming State election on Saturday, 29 November 2014. The Democracy Ambassador project aims to ensure that all Victorians vote and have a say in who represents them in the Victorian Parliament.



Asvin Phorugam



## GEOGRAPHIC INFORMATION SYSTEMS

The VEC Geographic Information Systems (GIS) team provided support to the Electoral Boundaries Commission (EBC) during the conduct of the 2012-2013 State redistricting, which concluded in October 2013. During the redistricting project, *BoundaryMaker*, the VEC's internally developed boundary-modelling software, was used for the drawing of boundaries and analysis of current and projected elector data. The efficiency of the software enabled the GIS team to model all submissions sent to the EBC. As a result, the EBC was able, for the first time, to view submissions simultaneously, allowing for easy comparisons of suggestions made by submitters.

The *Report on the Victorian 2012-2013 redistricting of electoral boundaries*, released on 17 October 2013, included 105 maps with detailed boundary descriptions of the final districts and regions. Spatial data of the final boundaries was made available for download from the EBC website. A special colour edition of the government gazette showing the detailed district and region maps was published shortly after the release of the report.

As part of this work, an online interactive mapping application was developed, enabling users to view existing and new boundaries simultaneously. Based on Google Maps™, the interactive map made it possible for users to zoom in to street or property level to view boundaries in detail.

The effectiveness of *BoundaryMaker* as a redistricting tool piqued the interest of electoral bodies around Australia. *BoundaryMaker* was provided to the New South Wales Electoral Commission for the conduct of their State Redistribution completed in September 2013. The Electoral Commission Queensland (ECQ) and Western Australian Electoral Commission (WAEC) visited the VEC to investigate the possibility of using *BoundaryMaker* for their upcoming State Redistributions.

Modifications were made to *BoundaryMaker* to allow for the large district allowance required in Western Australian and Queensland legislation. During 2013-14, the VEC has provided *BoundaryMaker* to the WAEC, ECQ and Northern Territory Electoral Commission (NTEC) to assist with the conduct of their upcoming State redistributions.

### Geographic Information Systems

I'm working on the geocoding of almost 1800 voting centres that will be open on election day. It will be great that voters will be able to access from our website directions to their nearest voting centre along with a map showing the location.



Cliff Brewer



## ROLL PRODUCTS AND SERVICES

The compilation of electoral rolls and the production of roll products for elections, by-elections and polls is a key VEC activity. Extracts of data are also prepared for the provision of electoral information granted under legislation that includes certain sections of the *Electoral Act 2002* and the *Juries Act 2000*.

Boundaries for the seven liquor licensing polls conducted during 2013-14 were determined in conjunction with the Victorian Commission for Gambling and Liquor Regulation. Details pertaining to the relevant properties and electors were then extracted from the State roll database to compile the rolls for these polls.

Voters rolls were produced for the local government by-elections of Greater Geelong City Council (Mayoral), Hindmarsh Shire Council (North Ward), Northern Grampians Shire Council (Kara Kara Ward), Ararat Rural City Council, Northern Grampians Shire Council (South West Ward), Mount Alexander Shire Council (Calder Ward) and Mornington Peninsula Shire Council (Red Hill Ward). A roll was also prepared for the Sunbury Poll held in October 2013.

All roll products and services were produced within organisational timeframes and within estimated budgets.

Preparation for the implementation of the boundary changes resulting from the State Redistricting was a major exercise, resulting in the distribution of preliminary voter lists on the new boundaries to Members of Parliament and Registered Political Parties in December 2013 and June 2014. The database will be recoded and the new boundaries implemented at the issue of the Writ for the November 2014 State election.

### Provision of enrolment information

The register of electors contains personal enrolment information, including name, address, date of birth and gender. Protecting the privacy of electors' personal enrolment information is of fundamental importance to the VEC, and information is only disclosed according to legislation.

In November 2013 a request was received from the Sheriff of Victoria for assistance with system based matching to provide current addresses for people with outstanding warrants. Discussions are in progress to develop a suitable methodology and memorandum of understanding. A small sample of 100 records has been provided to the VEC for technical feasibility testing and the results provided back to the Sheriff's Office for evaluation. A larger sample has been requested for more thorough testing and load evaluation before the methodology can be appropriately defined.

### Mandatory provision of enrolment information

The *Electoral Act 2002* stipulates the following electoral information to be made available:

- The list of Victorian electors (names and addresses only) excluding silent electors, must be made available for public inspection at the offices of the VEC and updated every six months. Information can only be searched by name.
- The latest print of any electoral roll produced for an election (which contains name and address details only) must be made available for public inspection, free of charge, at locations and during times determined by the VEC.
- Enrolment information, excluding silent electors, must be provided a number of times each year (and at the time of an election) to registered political parties, Members of Parliament and election candidates for permitted purposes.

Enrolment information is also provided under other legislation.

Under section 19 of the *Juries Act 2000*, to enable people to be called for jury duty, jury rolls are prepared as requested by the Juries Commission for any of the 14 jury districts (silent electors are included in this process). A total of 47 jury rolls were provided under this legislation during 2013-14.

Under section 21 of the *Local Government Act 1989*, enrolment information is provided to municipal councils for elections.

### Discretionary provision of enrolment information

Under section 34 of the *Electoral Act 2002*, (the Act) the VEC has the discretion to release enrolment information to other individuals or organisations under certain circumstances. Strict conditions apply to the provision of information and severe penalties apply to non-compliance or misuse of enrolment information.

During 2013-14, the VEC received nine requests for access to enrolment information from individuals or organisations. Of these, one application was withdrawn, six were approved, one was refused and two decisions are pending at the time of this report awaiting advice from the Privacy Commissioner as is required by legislation. One request in process at June 2013 was also approved in 2013-14.

A number of other queries were received, and either did not result in an application, or the information requested was not held by the VEC. See Appendix H for a list of organisations and individuals to which the VEC has provided enrolment information, under section 34 of the Act during 2013-14.



# OUR PEOPLE

## Strategic intent

The VEC will have a culture that fosters professional growth and development, ensures a safe, inclusive and engaging work environment and leads to high quality staff performance

## Enablers

- Robust performance management and professional development
- A safe and inclusive working environment
- Effective skill, information and knowledge transfer

## Priority strategic initiatives 2013-14

Strategic initiative	20. Enhance performance and development program, processes and systems
Result 2013-14	A Performance and Development (P&D) Program that provides a consistent framework, methodology and approach to Performance Management and Development was developed and implemented with supporting training provided to all staff
Outlook 2014-15	2014-15 will be the first full cycle. Monitoring and provision of ongoing advice and support to ensure full engagement in the performance and development process will continue

## Achievements, 2013-14

- A robust performance and development framework to enable employees to align their contribution, personal development, and career progression with the VEC's goals was developed and implemented
- Average of 2.55 days of training per FTE provided to staff

## Outlook 2014-15

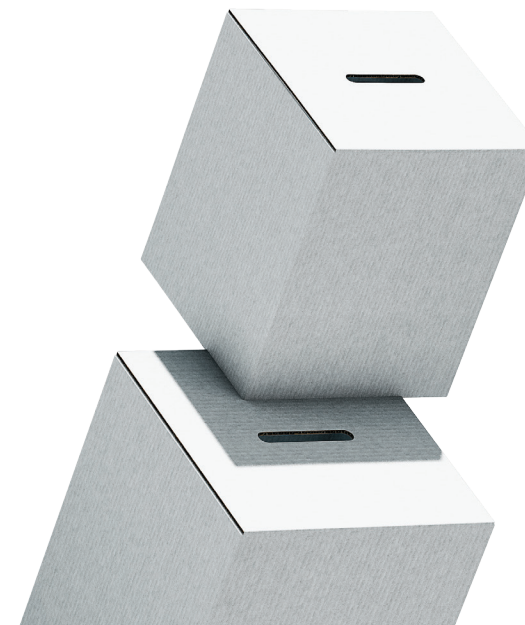
- Occupational Health and Safety Management System will be re-developed with a focus on risk identification and management
- Refresher training and support will be provided to underpin the Performance and Development program

## Priority strategic initiatives 2014-15

Enabler	Strategic initiative	Success indicator
Robust performance management and professional development	21. Effectively engage staff in the performance and development program	<ul style="list-style-type: none"> <li>• All performance expectations are understood, agreed and monitored on a regular basis</li> <li>• Staff satisfaction targets are met</li> </ul>
A safe and inclusive working environment	23. Build and foster an effective health & safety and wellbeing framework	<ul style="list-style-type: none"> <li>• Compliance with OH&amp;S and Equal Opportunity requirements</li> <li>• Staff satisfaction targets are met</li> </ul>

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# HUMAN RESOURCE MANAGEMENT

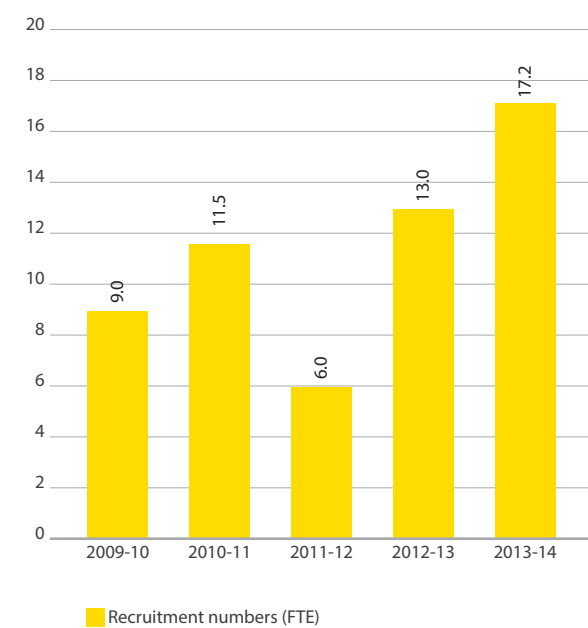
During 2013–14, the key human resources (HR) project was to develop a robust performance and development (P&D) program. The VEC created a framework to enable employees to align their contribution, personal development, and career progression with the VEC's goals. It ensures transparency, consistency and equity in how we set and measure goals and behaviours.

The program is designed to incorporate an ongoing conversation with employees and their people manager on how they are progressing towards the achievement of their key performance indicators (KPI), behaviours and development.

The P&D process will ensure everyone is heading in the one direction towards our vision: *All Victorians actively participating in their democracy and our purpose: To deliver high quality, accessible electoral services with innovation, integrity and independence.* The P&D plan is a roadmap to employee's short term and longer term career objectives in alignment with our organisational goals.

A key component of the new program is the introduction of behavioural standards as a performance metric in addition to the employee's KPIs to ensure that employees not only have clarity on performance expectations and what they are required to deliver, but are very clear on how they need to do this. The roll-out of the new program also incorporated the development of the online tool which houses the individual plans. This tool sits within the VEC's new human resources information system, Aurion.

Figure 19: Recruitment (FTE) 2009-10 to 2013-14



The P&D program was implemented in January 2014 and with 100% participation, people managers are finalising the individual employee plans after attending performance moderation sessions within their business areas where performance standards were reinforced and performance differentiated. As the VEC closes out the 2013-14 cycle, preparations are underway for the commencement of the 2014-15 performance cycle.

### Cultural re-alignment project

The cultural re-alignment project, undertaken by Management Group, concluded in February 2014 with the administering of a second Culture Survey. With 78% of staff participating in the survey the results overall improved by 4%. The seven climate behaviours surveyed included Supportive Leadership, Role Clarity, Teamwork, Empowerment, Ownership, Feedback and Professional Development. The overall project focused on building a culture that is integrity based and progressive establishing one team with purpose, shared expectations and energised for excellence.

### Recruitment and turnover

The recruitment process is carried out with the highest regard to equity, with specific key selection criteria forming a critical component of the selection decision. Recognising that a talented, engaged and properly motivated workforce is critical to the VEC's success, other areas considered are specialised knowledge, technical skills, and experience. The VEC ensures unbiased recruitment and selection processes are maintained and accommodates cultural practices in the selection process. We also actively recruit diverse candidates and are committed to providing fair workplace opportunities and respect individual and cultural differences.

The VEC actively recruits through Traditional Owner groups and organisations providing employment assistance to people with disabilities and those with cultural and linguistic diversity.

Figure 19 shows staff (FTE) recruited to ongoing and fixed term positions from 2009-10 to 2013-14. Recruitment requirements vary according to electoral activity and staff movement. Peaks are generally reflective of the VEC's electoral activity cycle.

### Employment diversity

The VEC's aim is to recruit and support personnel who represent the diversity of the Victorian community and recognise the value individual differences make within the workplace.

The VEC has an inclusive employment policy, and where practicable, the VEC makes more than the minimum required adjustments for staff with specific needs. The VEC recognises cultural diversity in employment practices and policies where appropriate.

Figure 20: Active staff in last pay period June 2010-14

	Ongoing Employees			Fixed Term		Casual		Totals		
	Number (Headcount)	Full Time (Headcount)	Part Time (Headcount)	FTE	Number (Headcount)	FTE	Number (Headcount)	FTE	Number (Headcount)	FTE
2014	65	56	9	62.5	20	18.8	14	11.3	99	92.6
2013	62	52	10	58.4	16	16.0	6	2.6	84	77.0
2012	60	49	11	56.7	16	16.0	9	5.2	85	77.9
2011	59	47	12	55.0	14	13.5	9	6.1	82	74.6
2010	59	47	12	54.9	17	16.3	10	5.3	86	76.5

Notes: FTE = Full time equivalent

Excluded are those on leave without pay, absent or on secondment, external contractors and temporary staff employed by employment agencies.

Figure 21: Staff by gender, at 30 June 2013-14

	Ongoing		Fixed Term and Casual		Total
	Headcount	FTE	Headcount	FTE	FTE
Male	26	26	14	12.4	38.4
Female	39	36.5	20	17.7	54.2

Figure 22: Recruitment, departures and turnover, 2009–10 to 2013–14

	Headcount	FTE	Commencements FTE	Departures FTE	Staff turnover (% departures/FTE)
2013-14	65	62.5	17.2	4.6	7.36%
2012-13	62	58.4	13.0	3.8	6.51%
2011-12	60	56.7	6.0	5.2	9.17%
2010-11	59	55.0	11.5	2.6	4.73%
2009-10	59	54.9	9.0	1.0	1.82%



Figure 23: VEC staff by gender (FTE), 30 June 2010 –14

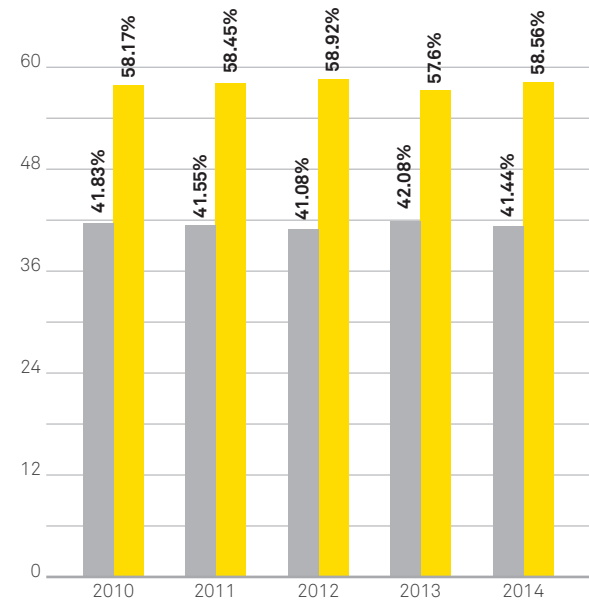


Figure 24: VEC staff by age profile (FTE), 30 June 2014

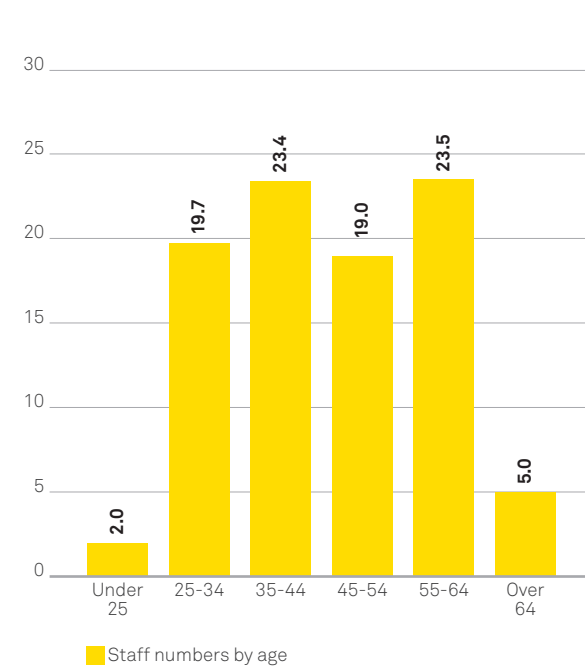


Figure 25: Highest formal level of education completed, VEC staff 2013-14

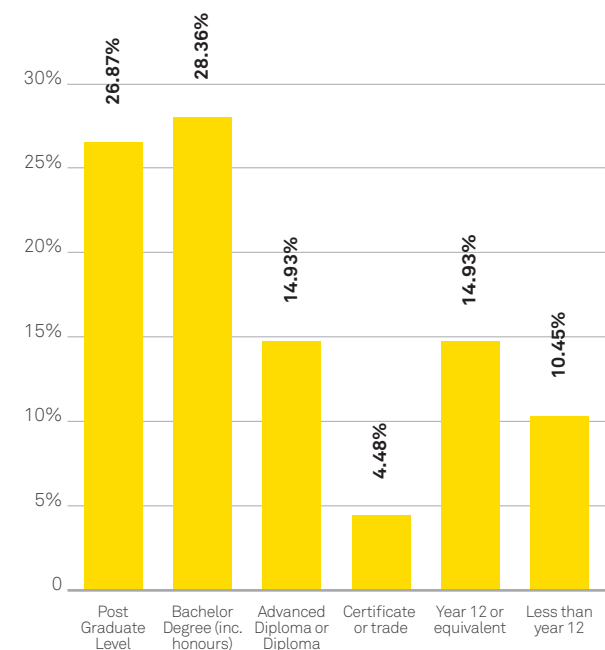
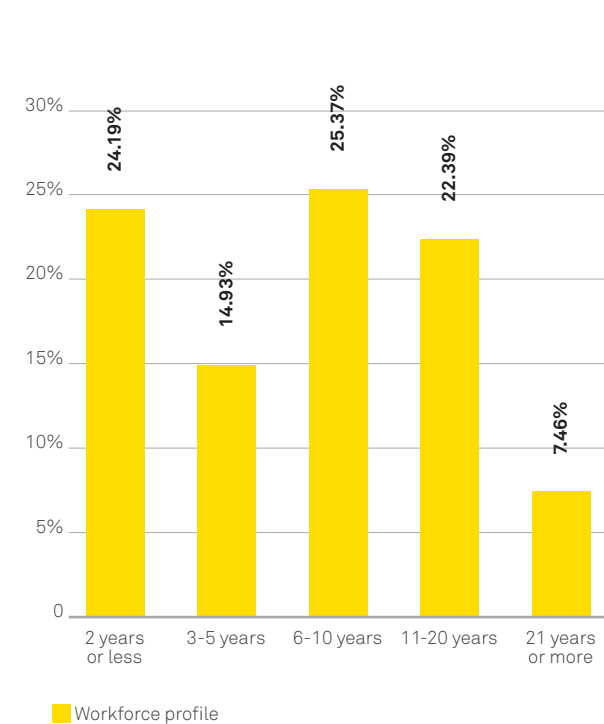


Figure 26: Length of service, VEC staff 2013-14



## KNOWLEDGE CAPITAL

Along with formal and informal qualifications, VEC staff have a wide range of experience and high level knowledge and skills relating to electoral activity (see Figures 25 and 26).

This “knowledge capital” is highly valued by the VEC not only because it helps ensure the achievement of corporate objectives, but allows us to build networks of experts within the VEC, acting with integrity and influencing through expertise.

The VEC encourages employees to continuously improve to achieve excellence and initiate new and creative ideas seeking opportunities for employees to learn and gain new experiences and skills. There is a culture of seeking out and being open to feedback and commitment to making a difference. We want all our employees to be agile learners. We create opportunities to help employees to grow both through formal training and by enhancing their skills through day to day jobs. Administering elections is our core business and our work is predominately project based. This creates opportunities to enhance competence in project management and technical skill area. The concept of learning at the VEC is 70% through experience, 20% developing through others and 10% through structured learning programs.

The VEC ensures that staff have a variety of ‘on the job’ opportunities to gain election experience at other electoral agencies whenever possible. In 2013-14 three staff members were seconded to the South Australian Electoral Commission to assist with the 2014 South Australian State Election, all reporting it to be a rewarding and fulfilling experience, professionally and personally.

### Training

As part of the annual performance management process, employees (in collaboration with their managers) create a development plan that ensures growth in skills and knowledge. This process also informs succession planning.

The VEC identifies opportunities for training and professional development on both an individual and organisation-wide basis. Organisation-wide training addresses areas of identified need, contributing to the achievement of organisational objectives and supporting staff in their personal and professional development.

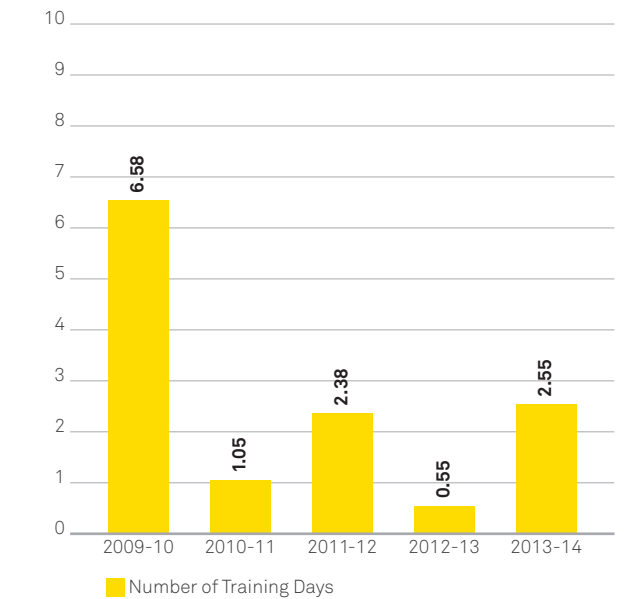
In recognition of the critical role the VEC people managers play in managing, coaching and mentoring their teams the VEC created the People Management Mastery program which aims to provide ongoing support and resources to equip people managers with the skills and capability to confidently manage teams. The program incorporated a number of internal people management workshops developed by Priority One Training which covered the following areas: leadership essentials, giving constructive feedback; developing others, being assertive and managing conflict. Other elements of the program include targeted internal newsletters with important management topics and key dates

as well as articles, whitepapers and online reference materials. The VEC will continue to develop the people managers in the next financial year with further training and internal lunch and learn sessions with Leadership representation and guest speakers.

Other training provided included Insight SRC leadership training, privacy, occupational health and safety; including refresher training, and manual handling training, business writing, social media and dynamic web design and, information technology and electoral administration training.

During 2013–14, the VEC provided an average of 2.55 days of formal training per full-time equivalent (FTE) (see Figure 27). VEC staff also undertook informal unrecorded learning opportunities, including attending IPAA conferences, Public Administration workshops and a variety of networking sessions.

Figure 27: Training days per FTE, 2009-10 to 2013-14



Note: Figures exclude training for election officials.

## OCCUPATIONAL HEALTH AND SAFETY

The VEC continued its commitment to Occupational Health and Safety (OHS) compliance as well as general staff health and well-being during 2013–14. Quarterly workplace inspections by VEC health and safety representatives continued with the aim of identifying and eliminating hazards, thereby preventing and reducing injuries. A new SharePoint site was developed and implemented in February 2014 with the aim of providing a more engaging online experience. Some of the features include radio buttons with downloadable forms, graphical reporting and easy access to important OHS information including OHS policies, procedures and statistics. The VEC OHS Committee Manager representative is scheduled to attend refresher training in September 2014 and Senior Management training is scheduled for 1 September 2014.\*\*

Figure 28: The VEC's performance against OHS management measures, 2009-10 to 2013-14

Measure	KPI	2009-10	2010-11	2011-12	2012-13	2013-14
Incidents	Staff FTE (not including casual staff)	71.2	68.5	72.7	74.4	81.3
	No. of incidents	8	12	6	17	9
	Rate per 100 FTE	11.24	17.52	8.25	22.85	11.07
Claims	No. of standard claims(i)	2	2	0	1	2
	Rate per 100 FTE	2.81	2.92	0.00	1.34	2.46
	No of lost time claims(i)	0*	0*	0	0	2
	Rate per 100 FTE	0.00	0.00	0.00	0.00	2.46
	No of claims exceeding 13 weeks (i)	0	0	0	0	0
	Rate per 100 FTE	0.00	0.00	0.00	0.00	0.00
Fatalities	Fatality claims	0	0	0	0	0
Claim costs	Average cost per standard claim.(i)	3,066	3,893	NA	2,274	8,576
Return to work	Percentage of claims with RTW plan <30 days.					
Management commitment	Evidence of OHS policy statement, OHS objectives, regular reporting to senior management of OHS, and OHS plans (signed by CEO or equivalent).	completed	completed	completed	completed	In progress
	Evidence of OHS criteria(s) in purchasing guidelines (including goods, services and personnel).	completed	completed	completed	completed	completed
Consultation and participation	Evidence of agreed structure of designated workgroups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs).	completed	completed	completed	completed	completed
	Compliance with agreed structure on DWGs, HSRs, and IRPs.	completed	completed	completed	completed	completed

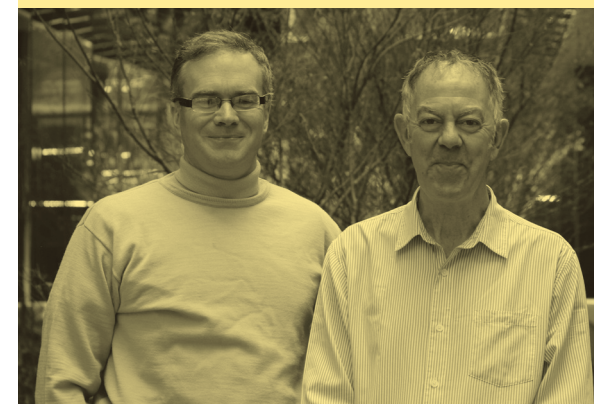
Risk management	Percentage of internal audits/inspections conducted as planned.	NR	NR	NR	71%	100%
	Percentage of issues identified actioned arising from:					
	– internal audits	NR	NR	NR	100%	100%
	– HSR provisional improvement notices (PINs)	NA	NA	NA	NA	NA
	– WorkSafe notices	NA	NA	NA	NA	NA
Training	Percentage of managers and staff that have received OHS training:					
	– induction	100%	0%	100%	100%	100%
	– management training	100%	0%	100%	Scheduled	Scheduled**
	– contractors, temps, and visitors.	NA	NA	NA	NA	NA
	Percentage of HSRs trained:					
	– acceptance of role	100%	100%	100%	100%	100%
	– re-training (refresher)	100%	100%	100%	100%	100%
	– reporting of incidents and injuries	100%	100%	100%	100%	100%

NR: not reported

\*Figures corrected

### ResourceSmart

Given the scale of its logistics, there are always opportunities to optimise resource use at VEC. The VEC's commitment to sustainability and new materials and automation, ResourceSmart acts at the cutting edge for a leaner, cleaner VEC.



Craig Burton and Gary Eddy

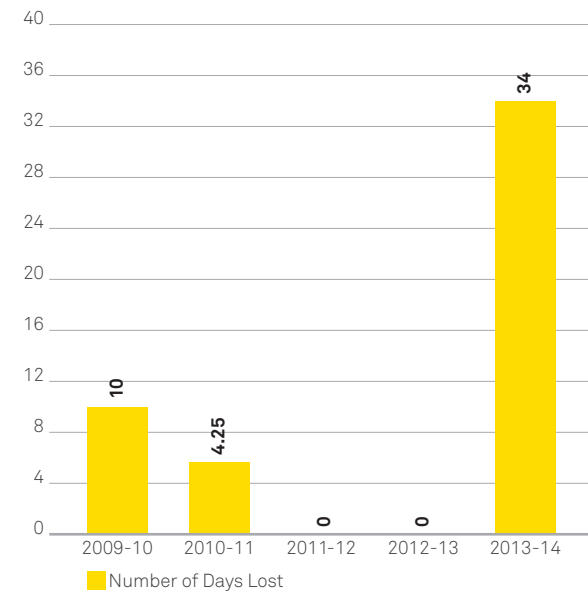




### Hazards, incidents and injuries

During 2013–14, the VEC received nine incident notifications, two hazard notifications, and two claims for compensation. The VEC has an ongoing focus on occupational health and safety training and practices, and a focus on responsiveness to incidents and injuries. Two injuries resulted in 34 lost days. The management group integrates health safety and security considerations into decisions and actions. There is ongoing promotion of hazard reporting and identification of risks to ensure control measures are put in place to eliminate the risk of injury. Manual handling training was provided for the warehouse and the education teams (high risk areas) as a proactive measure to ensure all staff are aware of the correct manual handling protocol in recognition of the increased volume of picking and packing work at the Warehouse and delivery of education sessions in the lead up to the State election.

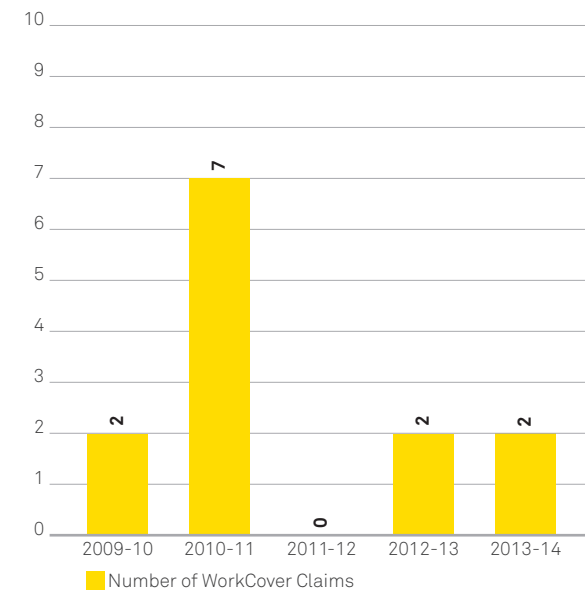
Figure 29: Days lost as a result of workplace-related injury, 2009-10 to 2013-14



### Flexible work arrangements

The VEC believes that flexibility in the workplace contributes to a supportive environment. VEC staff are able to access a variety of options available under the VEC's Flexible Work Arrangements Policy. This Policy provides strategies to support employees with carer responsibilities. Some of the flexible working arrangements in place during 2013–14 were a job share (an arrangement where 2 people shared a full-time job each working part-time on a regular basis), a compressed working week (an employee working 38 hours over a 4 day working week) and purchased leave (an employee purchasing additional leave to work a shorter year).

Figure 30: Claims for WorkCover 2009-10 to 2013-14



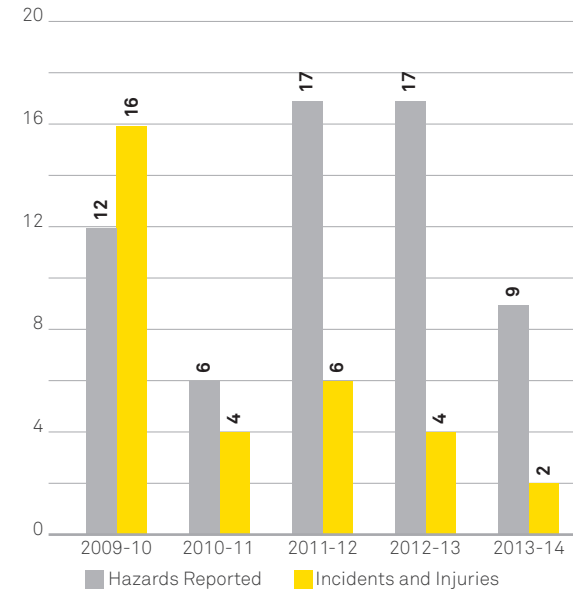
### Review of action - raising issues

The VEC is committed to ensuring that principles of merit and equity are applied throughout the VEC, and work-related complaints are resolved quickly, confidentially and without prejudice. The Review of Action policy and procedure is available and accessible via the VEC intranet.

### Code of Conduct

Employees of the VEC are bound by the guidelines outlined in the Code of Conduct for Victorian Public Sector Employees of Special Bodies. The code provides guidance to staff and is a measure by which the VEC expects employees to carry out their duties as a VEC employee. Staff are provided with a copy of the Code on appointment. The VEC also has a Code of Conduct policy which forms part of the Compliance and Conduct set of internal policies.

Figure 31: Hazards, incidents and injuries reported, 2009-10 to 2013-14

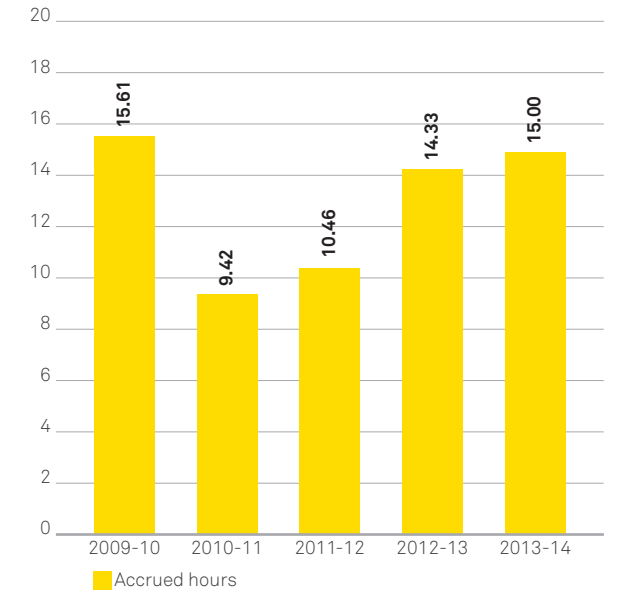


### Staff well-being services

The VEC supports staff to maintain well-being using preventative and responsive measures. The VEC also makes it a priority to support individual staff experiencing ongoing personal or health issues in a formal and informal manner as appropriate.

A range of services was offered during 2013-14 including flu injections and individual ergonomic assessments. In addition, all VEC staff have access to a counselling service through the Department of Justice Employee Assistance Program (EAP).

Figure 32: Average accrued hours of flexi-time per head, VPS grades 1–4, 2009-10 to 2013-14



# FINANCIAL STATEMENTS

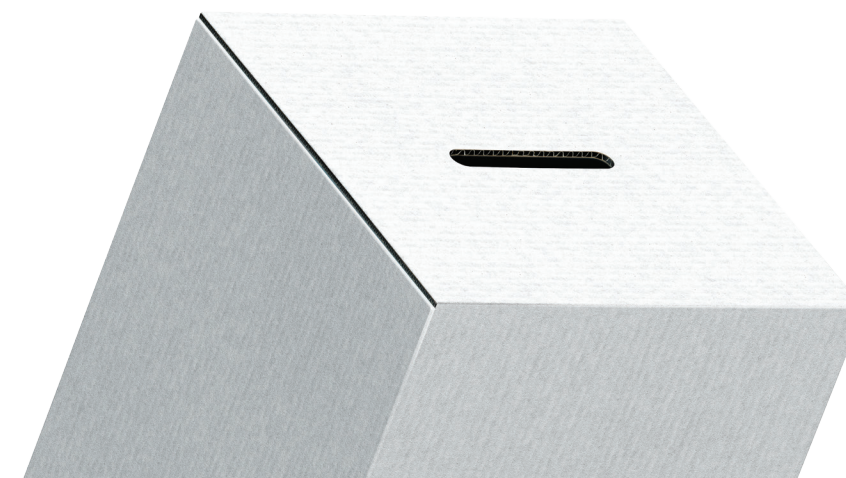
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## COMPREHENSIVE OPERATING STATEMENT

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Notes	2014 \$'000	2013 \$'000
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Special appropriations	4,22	23,062	40,245
<b>Total income from transactions</b>		<b>23,062</b>	<b>40,245</b>
<b>Expenses from transactions</b>			
Employee expenses	5(a)	10,080	16,719
Supplies and services	5(d)	11,484	20,464
Depreciation and amortisation	5(b)	1,579	1,370
Interest expense	5(c)	7	5
Capital asset charge		129	129
Operating lease rental expense		1,708	2,976
<b>Total expenses from transactions</b>		<b>24,987</b>	<b>41,663</b>
<b>Net result from transactions (net operating balance)</b>		<b>(1,925)</b>	<b>(1,418)</b>
<b>Other economic flows included in net result</b>			
Other gains / (losses) from other economic flows	6	(11)	7
<b>Total other economic flows included in net result</b>		<b>(11)</b>	<b>7</b>
<b>Net result</b>	21(b)	<b>(1,936)</b>	<b>(1,411)</b>
<b>Comprehensive result</b>		<b>(1,936)</b>	<b>(1,411)</b>

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.





## BALANCE SHEET

AS AT 30 JUNE 2014

	Notes	2014 \$'000	2013 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	21(a)	2	3
Receivables	7	532	741
<b>Total financial assets</b>		<b>534</b>	<b>744</b>
<b>Non-financial assets</b>			
Inventories	8	1,606	1,423
Property, plant and equipment	9	3,209	3,613
Intangible assets	10	5,398	4,234
Other non financial assets	11	773	457
<b>Total non-financial assets</b>		<b>10,986</b>	<b>9,727</b>
<b>Total assets</b>		<b>11,520</b>	<b>10,471</b>
<b>Liabilities</b>			
Payables	12	672	380
Borrowings	13, 17	90	79
Provisions	14	1,741	1,674
Other liabilities	15	1,172	887
<b>Total liabilities</b>		<b>3,675</b>	<b>3,020</b>
<b>Net assets</b>		<b>7,845</b>	<b>7,451</b>
<b>Equity</b>			
Accumulated (deficit) / surplus		(22,631)	(20,695)
Contributed capital		30,476	28,146
<b>Net worth</b>		<b>7,845</b>	<b>7,451</b>
Commitments for expenditure	17, 18		
Contingent assets and contingent liabilities	19		

The balance sheet should be read in conjunction with the notes to the financial statements.

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Notes	Accumulated Surplus \$'000	Contributed Capital \$'000	Total \$'000
<b>Balance at 1 July 2012</b>		<b>(19,284)</b>	<b>25,907</b>	<b>6,623</b>
Net result for the year		(1,411)	-	(1,411)
Other comprehensive income for the year		-	-	-
Capital appropriations		-	2,239	2,239
<b>Balance at 30 June 2013</b>		<b>(20,695)</b>	<b>28,146</b>	<b>7,451</b>
Net result for the year	21(b)	(1,936)	-	(1,936)
Other comprehensive income for the year		-	-	-
Capital appropriations	22	-	2,330	2,330
<b>Balance at 30 June 2014</b>		<b>(22,631)</b>	<b>30,476</b>	<b>7,845</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

## CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	Notes	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government		24,460	40,789
<b>Total receipts</b>		<b>24,460</b>	<b>40,789</b>
<b>Payments</b>			
Payments to suppliers and employees		(22,927)	(40,107)
Goods and Services Tax paid to the ATO	(i)	(1,398)	(544)
Capital asset charge payments		(129)	(129)
Interest and other costs of finance paid		(7)	(5)
<b>Total payments</b>		<b>(24,461)</b>	<b>(40,785)</b>
<b>Net cash flows from / (used in) operating activities</b>	21(b)	<b>(1)</b>	<b>4</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets	22	(2,330)	(2,239)
Sales of non-financial assets		-	-
<b>Net cash flows (used in) / from investing activities</b>		<b>(2,330)</b>	<b>(2,239)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		2,330	2,239
<b>Net cash flows from / (used in) financing activities</b>		<b>2,330</b>	<b>2,239</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(1)</b>	<b>4</b>
Cash and cash equivalents at the beginning of the financial year		3	(1)
<b>Cash and cash equivalents at the end of the financial year</b>	21(a)	<b>2</b>	<b>3</b>

The above cash flow statement should be read in conjunction with the notes to the financial statements.

Notes: (i) Goods and Services Tax paid to the ATO is presented on a net basis

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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### Note 1. Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for the Victorian Electoral Commission for the period ending 30 June 2014.

The purpose of the report is to provide users with information about the Commission's stewardship of resources entrusted to it.

#### (A) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial reporting*

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 29.

The annual financial statements were authorised for issue by the Electoral Commissioner of the Victorian Electoral Commission on 15 August 2014.

#### (B) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of plant and equipment and other non-financial physical assets (refer to note 1(M))
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 1(N))

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

### Note 1. Summary of significant accounting policies (continued)

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention.

Consistent with AASB 13 Fair Value Measurement, the Commission determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Commission has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### (C) Reporting entity

The financial statements cover the Victorian Electoral Commission as an individual reporting entity.

The Commission is an independent body of the State of Victoria, established pursuant to an order made by the Premier under the *Electoral Act 2002*.

Its principal address is:  
Victorian Electoral Commission  
Level 11, 530 Collins Street  
Melbourne VIC 3000

The Commission is an administrative agency acting on behalf of the Crown.

The financial statements include all the controlled activities of the Victorian Electoral Commission.

A description of the nature of the Commission's operations and its principal activities is included in the report of operations which does not form part of these financial statements.

#### Objectives and funding

The Commission's overall objective is to provide election services to State and Local Government, as well as conducting various fees for service elections.

The Commission is funded by accrual-based parliamentary appropriations for the provision of outputs. It provides on a fee for service basis election services for Local Government and Commercial elections. The fees charges for these services are determined by prevailing market forces.

#### Outputs of the Commission

Information about the Commission's output activities, and the expenses, income, assets and liabilities which are reliably attributable to those output activities, is set out in the output activities schedule (Note 2). Information about expenses, income, assets and liabilities administered by the Commission are given in the schedule of administered expenses and income and the schedule of administered assets and liabilities (see Note 3).

#### (D) Basis of consolidation

There were no bodies consolidated into the Commission's reporting entity during the reporting period.

#### Administered items

Certain resources are administered by the Commission on behalf of the State. While the Commission is accountable for the transactions involving administered items, it does not have the discretion to deploy the resources for its own benefit or the achievement of its objectives. Accordingly, transactions and balances related to administered items are not recognised as Commission income, expenses, assets or liabilities within the body of the financial statements.

Administered income includes taxes, fees and fines. Administered assets include government income earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid.

Except as otherwise disclosed, administered resources are accounted for on an accrual basis using the same accounting policies adopted for recognition of the Commission items in the financial statements. Both controlled and administered items of the Commission are consolidated into the financial statements of the State.

Disclosures related to administered items can be found in Note 3.

### Note 1. Summary of significant accounting policies (continued)

#### Funds held in trust

##### *Other trust activities on behalf of parties external to the Victorian Government*

The Commission has responsibility for transactions and balances relating to trust funds on behalf of third parties external to the Victorian Government. Income, expenses, assets and liabilities managed on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by the Commission or the Victorian Government. Funds under management are reported in the Note 3.

#### (E) Scope and presentation of financial statements

##### Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows - other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

##### Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled more than 12 months after the reporting period) are disclosed in the notes, where relevant.

##### Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

#### Statement of changes in equity

The statement of changes in equity presents reconciliation of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the Comprehensive result' and amounts recognised in 'Other economic flows - other movements in equity' related to 'Transactions with owner in its capacity as owner'.

#### Rounding

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to the end of Note 29 for a style convention explaining that minor discrepancies in totals of tables are due to rounding.

#### (F) Changes in accounting policies

Subsequent to the 2012-13 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

##### AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when the Commission is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. The Commission has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, the Commission has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of the Commission. The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012-13 comparatives of these disclosures have not been provided.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

### Note 1. Summary of significant accounting policies (continued)

#### AASB 119 Employee benefits

In 2013-14, the Commission has applied AASB 119 *Employee benefits* (September 2011, as amended) and the related consequential amendments for the first time.

The revised standard changes the definition of short term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Commission as short term employee benefits no longer meet this definition and are now classified as long term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis. This change in classification has not materially altered the Commission's measurement of the annual leave provision.

#### (G) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

#### Special appropriations

Appropriation income becomes controlled and is recognised by the Commission when it is appropriated from the Consolidated Fund by the Victorian Parliament via the Department of Justice, and applied to the purposes defined under the *Electoral Act 2002*.

All amounts of income over which the Commission does not have control are disclosed as administered income in the schedule of administered income and expenses (see Note 3).

#### (H) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

#### Employee expenses

Refer to the section in Note 1(N) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

#### Superannuation

The amount recognised in the comprehensive operating statement in relation to employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in their Annual Financial Statements, disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

#### Depreciation and amortisation

All property, plant and equipment and other non-financial physical assets (excluding items under operating leases) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Refer to Note 1(M) for the depreciation and amortisation policy for leasehold improvements.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The following are typical estimated useful lives for the different asset classes for current and prior years.

Asset class	Useful life
Leasehold Improvements	10 - 12 years
Leased motor vehicles	3 - 5 years
Plant & equipment	2 - 10 years
Furniture & fittings	5 - 14 years
Computer equipment	2 - 3 years
Intangible produced assets - software development	3 election periods (12 years)

Intangible produced assets with finite useful lives are amortised as an expense from transactions on a systematic (typically straight-line) basis over the asset's useful life. Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible assets with indefinite useful lives are not depreciated or amortised, but are tested annually for impairment.

### Note 1. Summary of significant accounting policies (continued)

#### Interest expense

Interest expense is recognised in the period in which it is incurred. Refer to Note 29 for an explanation of interest expense items

#### Capital asset charge

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

#### Other operating expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations.

#### Supplies and services

Supplies and services costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

#### Bad and doubtful debts

Refer to Note 1(L) *Impairment of financial assets*.

#### (I) Other economic flows included in the net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

#### Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

#### Disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

#### Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

All other assets are assessed annually for indications of impairment, except for inventories (refer Note 1(M)).

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(L) in relation to the recognition and measurement of non-financial assets.

#### Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Note 1. Summary of significant accounting policies (continued)

### (J) Administered income

#### Taxes, fines and regulatory fees

The Commission does not gain control over assets arising from taxes, fines and regulatory fees, consequently no income is recognised in the Commission's financial statements.

The Commission collects these amounts on behalf of the State. Accordingly, the amounts are disclosed as income in the schedule of Administered Items (see Note 3).

### (K) Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Commission's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer on behalf of the Commission are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

#### Categories of non-derivative financial instruments

##### Loans and Receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method, less any impairment. Receivables category includes trade receivables and other receivables, but not statutory receivables.

#### Available-for-sale financial assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset.

Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in "Other economic flows - other comprehensive income" until the investments are disposed.

Fair value is determined in the manner described in Note 20(c) *Financial Instruments*.

#### Financial assets and liabilities at fair value through profit and loss

Financial assets are categorised as fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the entity concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies

Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows.

#### Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method (refer to Note 20).

Financial instrument liabilities measured at amortised cost include all of the Commissions contract payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

Note 1. Summary of significant accounting policies (continued)

### (L) Financial assets

#### Cash and deposits

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank.

#### Receivables

Receivables consist of:

- contractual receivables, which include mainly debtors in relation to goods and services.
- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as receivables (refer to Note 20.1 for recognition and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

For the measurement principle of receivables, refer to Note 1(K)

#### Impairment of financial assets

At the end of each reporting period, the Commission assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of assets*.

### (M) Non-Financial assets

#### Inventories

Inventories include goods and other property for distribution at zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential.

Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

#### Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(O)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the asset concerned.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(I) *Impairment of non-financial assets*.

#### Leasehold improvements

The cost of leasehold improvements is capitalised as an asset and amortised over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

#### Revaluations of non-current physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance.

The Commission controls plant and equipment, furniture and fittings, motor vehicles, and leasehold improvements which are measured at fair value, and are not subject to revaluation.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

### Note 1. Summary of significant accounting policies (continued)

#### Intangible assets

Purchased intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation / amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Commission.

When the recognition criteria in AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised and measured at cost less accumulated depreciation / amortisation and impairment.

Refer to Note 1(H) Depreciation and amortisation of non-produced intangible assets and Note 1(I) Impairment of non-financial assets.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs associated with the development of computer software relating to the Election Management and Roll Management system totalling \$0.5 million or more are capitalised and amortised on a straight line basis over a twelve year period (three State election periods) being the period in which the related benefits are expected to be realised. Costs associated with the acquisition or development of computer software which are less than \$0.5 million are charged as expenses in the period as incurred.

#### Other non-financial assets

##### Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

#### (N) Liabilities

##### Payables

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to the Commission prior to the end of the financial year that are unpaid, and arise when the Commission becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables such as goods and services tax and fringe benefits tax payable.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(K). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

##### Borrowings

All interest bearing liabilities are initially recognised at fair value of the consideration received, less directly attributable transaction costs (refer also to Note 1(O) *Leases*). The measurement basis subsequent to initial recognition depends on whether the Commission has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through profit or loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

##### Provisions

Provisions are recognised when the Commission has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rate that reflects the time value of money and risks specific to the provision.

### Note 1. Summary of significant accounting policies (continued)

#### Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

##### (i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits annual leave, are all recognised in the provision for employee benefits, classified as 'current liabilities', because the Commission does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- undiscounted value - if the Commission expects to wholly settle within 12 months; or
- present value - if the Commission does not expect to wholly settle within 12 months.

##### (ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Commission does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months:

The components of this current LSL are measured at:

- undiscounted value - if the Commission expects to wholly settle within 12 months; or
- present value - if the Commission does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flows included in the net result (refer to Note 1(I)).

#### (iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The Commission recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### Employee benefits on-costs

Provisions for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

#### (O) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee.

All other leases are classified as operating leases.

#### Finance leases

##### Commission as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is accounted for as a non-financial physical asset. If there is certainty that the Commission will obtain the ownership of the lease asset by the end of the lease term, the asset shall be depreciated over the useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability, and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Note 1. Summary of significant accounting policies (continued)

### Operating leases

#### Commission as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### (P) Equity

#### Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

### (Q) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 18) at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### (R) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 19) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### (S) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority. In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

### (T) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Commission and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to condition which arose after the end of the reporting period and which may have a material impact on the results of subsequent years.

### (U) AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2014 reporting period. DTF assesses the impact of these new standards and advises the Commission of their applicability and early adoption where applicable.

As at 30 June 2014, the following AASs have been issued by the AASB but not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as follows:

Note 1. Summary of significant accounting policies (continued)

### (U) AASs issued that are not yet effective (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on VEC financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2017	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

Note 2. Departmental (controlled) outputs

A description of Departmental outputs performed during the year ended 30 June 2014, and the objectives of these outputs, are summarised below.

### Election Services

#### Description of output

Maintaining the electoral enrolment register, conducting State elections, local government elections, statutory elections, commercial and community elections, and boundary reviews.

Provision of electoral research and communication and education services.

#### Objectives

Inform Victorians and engage them in actively participating in the democratic process.

Refer to "Comprehensive operating statement" and "Balance sheet" for the controlled income and expenses for the year ended 30 June 2014.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### Note 3. Administered (non-controlled) items

In addition to the specific Commission operations which are included in the financial statements (comprehensive operating statement, balance sheet, statement of changes in equity and cash flow statement), the Commission administers or manages other activities and resources on behalf of the State and Local Government.

The transactions relating to these activities are reported as administered items (refer to Note 1 (D) and (I)).

	State		Local Government	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Administered income from transactions</b>				
Sales of goods and services	1,436	20,093	-	-
Fines	426	628	1,003	8,551
Candidates deposits	-	3	11	504
Electoral entitlements	16	78	-	-
<b>Total administered income from transactions</b>	<b>1,878</b>	<b>20,802</b>	<b>1,014</b>	<b>9,055</b>
<b>Administered expenses from transactions</b>				
Payments into the Consolidated Fund	1,588	20,947	-	-
Payments to Local Government	-	-	3,023	6,617
Payments made on behalf of the State	16	83	-	-
Payments made on behalf of Local Government	-	-	8	373
<b>Total administered expenses from transactions</b>	<b>1,604</b>	<b>21,030</b>	<b>3,031</b>	<b>6,990</b>
<b>Total administered net result from transactions (net operating balance)</b>	<b>274</b>	<b>(228)</b>	<b>(2,017)</b>	<b>2,065</b>
<b>Administered financial assets</b>				
Bank	204	5	50	2,068
Receivables	160	1,180	-	-
<b>Total administered financial assets</b>	<b>364</b>	<b>1,185</b>	<b>50</b>	<b>2,068</b>
<b>Administered liabilities</b>				
Bank Overdraft	-	1,048	-	-
Candidates deposits	-	-	-	-
Compulsory voting fines	204	5	50	2,068
Creditors and accruals	43	288	-	-
<b>Total administered liabilities</b>	<b>247</b>	<b>1,341</b>	<b>50</b>	<b>2,068</b>
<b>Total administered net assets</b>	<b>117</b>	<b>(156)</b>	<b>-</b>	<b>-</b>

#### Note 4. Income from transactions

	2014 \$'000	2013 \$'000
<b>(a) Revenue from government</b>		
Special appropriations	23,062	40,245
<b>Total revenue from government</b>	<b>23,062</b>	<b>40,245</b>

#### Note 5. Expenses from transactions

	2014 \$'000	2013 \$'000
<b>(a) Employee expenses</b>		
Post employment benefits	-	-
Defined benefit and contribution superannuation expense	780	1,172
Salaries and wages, annual leave and long service leave	9,300	15,547
<b>Total employee expenses</b>	<b>10,080</b>	<b>16,719</b>
<b>(b) Depreciation and amortisation</b>		
Plant, equipment and vehicles	640	573
Intangible produced assets	939	797
<b>Total depreciation and amortisation</b>	<b>1,579</b>	<b>1,370</b>
<b>(c) Interest expense</b>		
Interest on finance leases	7	5
<b>Total interest expense</b>	<b>7</b>	<b>5</b>
<b>(d) Other operating expenses</b>		
Supplies and services	-	-
Purchase of supplies and consumables	2,845	5,978
Purchase of services	8,259	14,041
Maintenance	323	363
Other	57	82
<b>Total operating expenses</b>	<b>11,484</b>	<b>20,464</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Note 6. Other economic flows included in net result

	2014 \$'000	2013 \$'000
<b>Net gain/(loss) on non-financial assets</b>		
Net gain/(loss) on disposal of property plant and equipment	-	-
<b>Total net gain/(loss) on non-financial assets</b>	-	-
<b>Other gain/(loss) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service liability (i)	(11)	7
<b>Total net gain/(loss) from other economic flows</b>	(11)	7
<b>Total Other economic flows included in net result</b>	<b>(11)</b>	<b>7</b>

Notes: (i) Revaluation gain/(loss) due to changes in bond rates.

Note 7. Receivables

	2014 \$'000	2013 \$'000
<b>Current receivables</b>		
<b>Statutory</b>		
Amount owing from Victorian Government (i)	43	288
GST input tax credit recoverable	356	445
	399	733
<b>Contractual</b>		
Other receivables	133	8
	133	8
<b>Total current receivables</b>	<b>532</b>	<b>741</b>
<b>Total receivables</b>	<b>532</b>	<b>741</b>

Notes: (i) The amounts recognised from Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due. (Appropriations are amounts owed by Victorian Government as legislated in the Appropriations Act. Due to the existence of a legislative instrument, the appropriation receivable to an entity is statutory in nature, and hence not within the scope of financial instrument standards.)

Note 8. Inventories

	2014 \$'000	2013 \$'000
<b>Current inventories</b>		
Supplies and consumables		
At cost	1,606	1,423
<b>Total inventories</b>	<b>1,606</b>	<b>1,423</b>

Note 9. Property, plant and equipment

**Table 9.1: Classification by 'Purpose Group' - carrying amounts (i)**

	Public Administration	
	2014 \$'000	2013 \$'000
<b>Nature-based classification</b>		
Plant, equipment and vehicles at fair value	666	856
Leasehold Improvements	2,543	2,757
<b>Net carrying amount of PPE</b>	<b>3,209</b>	<b>3,613</b>

Notes: (i) Plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon government purpose classifications. All assets within a purpose group are further sub categorised according to the asset's 'nature', with each sub category being classified as a separate class of asset for financial reporting purposes.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Note 9. Property, plant and equipment (continued)

**Table 9.2: Gross carrying amounts and accumulated depreciations**

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Plant, equipment and vehicles at fair value	3,012	3,245	(2,346)	(2,389)	666	856
Leasehold Improvements	3,374	3,292	(831)	(535)	2,543	2,757
<b>Net carrying amount of PPE</b>	<b>6,386</b>	<b>6,287</b>	<b>(3,177)</b>	<b>(2,924)</b>	<b>3,209</b>	<b>3,613</b>

**Table 9.3: Classification by 'Public Administration' Purpose Group - Movements in carrying amounts**

	Plant, equipment and vehicles at fair value		Leasehold improvements		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Opening balance</b>	<b>856</b>	<b>758</b>	<b>2,757</b>	<b>2,572</b>	<b>3,613</b>	<b>3,330</b>
Additions	191	423	83	444	274	867
Disposals	(38)	(11)	-	-	(38)	(11)
Depreciation	(343)	(314)	(297)	(259)	(640)	(573)
<b>Closing balance</b>	<b>666</b>	<b>856</b>	<b>2,543</b>	<b>2,757</b>	<b>3,209</b>	<b>3,613</b>

Note: (i) Fair value assessments have been performed for all classes of assets within this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2014.

**Table 9.4: Aggregate depreciation and amortisation recognised as an expense during the year**

	2014 \$'000	2013 \$'000
Leasehold Improvements	297	259
Plant, equipment and vehicles at fair value	343	314
	<b>640</b>	<b>573</b>

Note: (i) The useful lives of assets as stated in Policy Note 1 are used in the calculation of depreciation and amortisation.

Note 9. Property, plant and equipment (continued)

**Table 9.5: Fair value measurement hierarchy for assets as at 30 June 2014**

	(\$ thousand) Carrying amount as at 30 Jun 2014	Fair value measurement at end of reporting period using:		
		Level 1 (i)	Level 2 (i)	Level 3 (i)
Plant, equipment and vehicles at fair value				
Plant and equipment	577			577
Vehicles (ii)	89			89
<b>Total of plant, equipment and vehicles at fair value</b>	<b>666</b>			<b>666</b>

Notes: (i) Classified in accordance with the fair value hierarchy, see Note 1(B).

(ii) Vehicles are categorised to Level 3 assets as the depreciated replacement cost is used in estimating the fair value, see Table 9.7.

### Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

### Vehicles

Vehicles are valued using the depreciated replacement cost method. The Commission acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Department of Justice who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

**Table 9.6: Reconciliation of Level 3 fair value**

2014	Plant and equipment	Vehicles
<b>Opening balance</b>	<b>778</b>	<b>78</b>
Purchases (sales)	109	44
Transfers in (out) of Level 3	-	-
Gains or losses recognised in net result		
Depreciations	(309)	(34)
Impairment loss	-	-
<b>Subtotal</b>	<b>577</b>	<b>89</b>
Gains or losses recognised in other economic flows - other comprehensive income		
Revaluation	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>
<b>Closing balance</b>	<b>577</b>	<b>89</b>
Unrealised gains/(losses) on non-financial assets	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Note 9. Property, plant and equipment (continued)

**Table 9.7: Description of significant unobservable inputs to Level 3 valuations**

	Valuation technique	Significant Unobservable Inputs	Range	Sensitivity of fair value measurement to changes in significant unobservable inputs
Vehicles	Depreciated replacement cost	Useful life of vehicles	3-5 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and equipment	Depreciated replacement cost	Useful life of plant and equipment	2-14 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note 10. Intangible assets

	2014 \$'000	2013 \$'000
<b>Gross carrying amount</b>		
Opening balance	16,357	14,993
Addition from internal development	2,103	1,364
Closing balance	<b>18,460</b>	<b>16,357</b>
<b>Accumulated depreciation, amortisation and impairment</b>		
Opening balance	(12,123)	(11,326)
Amortisation expense (i)	(939)	(797)
Impairment losses charged to net result	-	-
Closing balance	<b>(13,062)</b>	<b>(12,123)</b>
<b>Net book value at the end of the financial year</b>	<b>5,398</b>	<b>4,234</b>

Note: (i) The consumption of intangible produced assets is included in 'depreciation and amortisation' line item.

### Significant intangible assets

The Commission has capitalised software development expenditure for the development of its election management and electoral rolls development. The carrying amount of the capitalised software development expenditure of \$5.4 million (2013: \$4.2 million) includes existing developed software and software under development.

The existing election management software was fully amortised in 2011 and the electoral roll software development will be fully amortised in 2015.

Note 11. Other non-financial assets

	2014 \$'000	2013 \$'000
<b>Current other non-financial assets</b>		
Prepayments	773	457
<b>Total current other non-financial assets</b>	<b>773</b>	<b>457</b>

Note 12. Payables

	2014 \$'000	2013 \$'000
<b>Current payables</b>		
<b>Contractual</b>		
Supplies and services (i)	556	278
Other payables	116	102
<b>Total current payables</b>	<b>672</b>	<b>380</b>
<b>Total payables</b>	<b>672</b>	<b>380</b>

Note: (i) The average credit period is 30 days. No interest is charged on payables.

### (a) Maturity analysis of contractual payables

Please refer to table 20.2 in Note 20 for the maturity analysis of contractual payables.

### (b) Nature and extent of risk arising from contractual payables

Please refer to Note 20 for the nature and extent of risks arising from contractual payables.

Note 13. Borrowings

	2014 \$'000	2013 \$'000
<b>Current borrowings</b>		
Lease liabilities (i) (Note 17)	64	26
<b>Total current borrowings</b>	<b>64</b>	<b>26</b>
Non-current borrowings		
Lease liabilities (i) (Note 17)	26	53
<b>Total non-current borrowings</b>	<b>26</b>	<b>53</b>
<b>Total borrowings</b>	<b>90</b>	<b>79</b>

Note: (i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

### (a) Maturity analysis of borrowings

Please refer to table 20.2 in Note 20 for the maturity analysis of borrowings.

### (b) Nature and extent of risk arising from borrowings

Please refer to Note 20 for the nature and extent of risks arising from borrowings

### (c) Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

### Note 14. Provisions

	2014 \$'000	2013 \$'000
<b>Current provisions</b>		
(i) Employee benefits (Note 14 (a))		
Annual leave		
(ii) Unconditional and expected to be settled within 12 months	392	522
(ii) Unconditional and expected to be settled after 12 months	157	58
Long service leave		
(ii) Unconditional and expected to be settled within 12 months	82	663
(ii) Unconditional and expected to be settled after 12 months	730	74
	<b>1,361</b>	<b>1,317</b>
Provisions for on-costs (Note 14(a) and Note 14(b))		
(ii) Unconditional and expected to be settled within 12 months	78	190
(ii) Unconditional and expected to be settled after 12 months	145	21
	<b>223</b>	<b>211</b>
<b>Total current provisions</b>	<b>1,584</b>	<b>1,528</b>
<b>Non-current provisions</b>		
(i) Employee benefits (Note 14 (a) and Note 14(b))	135	126
On-costs (Note 14(a))	22	20
<b>Total non-current provisions</b>	<b>157</b>	<b>146</b>
<b>Total provisions</b>	<b>1,741</b>	<b>1,674</b>
<b>(a) Employee benefits and related on-costs (i)</b>		
<b>Current employee benefits</b>		
Annual leave entitlements	549	580
Long service leave entitlements	812	737
<b>Non-current employee benefits</b>		
Long service leave entitlements	135	126
<b>Total employee benefits</b>	<b>1,496</b>	<b>1,443</b>
Current on-costs	223	211
Non-current on-costs	22	20
<b>Total on-costs</b>	<b>245</b>	<b>231</b>
<b>Total employee benefits and related on-costs</b>	<b>1,741</b>	<b>1,674</b>

Note: (i) Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.  
(ii) Amounts are measured at present values.

### Note 14. Provisions (continued)

	Employee Benefits	
	2014 \$'000	2013 \$'000
<b>(b) Movement in provisions</b>		
<b>Opening balance</b>	1,443	1,407
Additional provisions recognised	658	585
Additions due to transfer in	-	18
Reductions arising from payments / other sacrifices of future economic benefits	(605)	(567)
Reductions due to transfer out	-	-
<b>Closing balance</b>	<b>1,496</b>	<b>1,443</b>
Current	1,361	1,317
Non-current	135	126
<b>Total employee benefits</b>	<b>1,496</b>	<b>1,443</b>

### Note 15. Other liabilities

	2014 \$'000	2013 \$'000
<b>Current other liabilities</b>		
Lease incentive	293	293
<b>Total current other liabilities</b>	<b>293</b>	<b>293</b>
<b>Non-current other liabilities</b>		
Lease incentive	879	594
<b>Total non-current other liabilities</b>	<b>879</b>	<b>594</b>
<b>Total other liabilities</b>	<b>1,172</b>	<b>887</b>



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

### Note 16. Superannuation

Employees of the Commission are entitled to receive superannuation benefits and the Commission contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

The Commission does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation

contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefit liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Commission.

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Commission are as follows:

	Paid Contribution for the Year		Contribution Outstanding at year End	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Defined benefit plans:</b>				
(i) State Superannuation Fund - revised and new	50	69	2	2
<b>Defined contribution plans:</b>				
Vicsuper	458	671	25	20
Other	231	432	14	11
<b>Total</b>	<b>739</b>	<b>1,172</b>	<b>41</b>	<b>33</b>

Notes: (i) The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

### Note 17. Leases

#### (a) Disclosures for lessees - finance lease

##### Leasing arrangements

Finance leases relate to motor vehicles leased through the Department of Justice. The Commission has options to purchase the vehicles for a nominal amount at the conclusion of the lease agreements.

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Other finance lease liabilities payable</b>				
Not longer than one year	67	30	64	26
Longer than one year and not longer than five years	28	55	26	53
Longer than five years	-	-	-	-
<b>Minimum future lease payments</b>	<b>95</b>	<b>85</b>	<b>90</b>	<b>79</b>
Less future finance charges	5	6	-	-
<b>Present value of minimum lease payments</b>	<b>90</b>	<b>79</b>	<b>90</b>	<b>79</b>
<b>Included in the financial statements as:</b>				
Current borrowings lease liabilities (Note 13)			64	26
Non-current borrowings lease liabilities (Note 13)			26	53
			<b>90</b>	<b>79</b>

Note: (i) Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

#### (b) Disclosure for lessees-operating leases

Refer to Note 18(b)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

### Note 18. Commitments for expenditure

The following commitments have not been recognised as liabilities in the financial statements:

#### (a) Commitments (i)

	2014 \$'000	2013 \$'000
<b>Operating and lease commitments</b>		
Rental leases	28,299	27,434
<b>Total operating and lease commitments</b>	<b>28,299</b>	<b>27,434</b>
<b>Other commitments</b>	<b>2,450</b>	<b>2,397</b>
Outsourcing	2,450	2,397
<b>Total other commitments</b>	<b>2,450</b>	<b>2,397</b>
<b>Total commitments</b>	<b>30,749</b>	<b>29,831</b>

Notes: (i) The figures present are inclusive of GST.

#### (b) Commitments payable

	2014 \$'000	2013 \$'000
Nominal value		
<b>Operating and lease commitments (i)</b>		
Less than one year	2,374	2,026
Longer than one year and not longer than five years	12,603	10,356
Five years or more	13,322	15,052
<b>Total operating and lease commitments</b>	<b>28,299</b>	<b>27,434</b>
<b>Other commitments (ii)</b>		
Less than one year	2,450	2,397
<b>Total other commitments</b>	<b>2,450</b>	<b>2,397</b>
<b>Total commitments (inclusive of GST)</b>	<b>30,749</b>	<b>29,831</b>
Less GST recoverable from the Australian Taxation Office	(2,796)	(2,712)
<b>Total commitments (exclusive of GST)</b>	<b>27,953</b>	<b>27,119</b>

Notes: (i) Operating leases relate to office and warehouse facilities with lease terms between one to twelve years. All operating lease contracts contain market review clauses in the event that the Commission exercises its option to renew. The Commission does not have an option to purchase the leased asset at the expiry of the lease period.  
(ii) Commitments under outsourcing contracts are for joint electoral roll procedure at the end of the reporting period.

### Note 19. Contingent assets and contingent liabilities

There are no contingent assets and contingent liabilities as at 30 June 2014 (2013 - nil)

### Note 20. Financial instruments

#### (a) Financial risk management objectives and policies

The Commission's principal financial instruments comprise of:

- cash assets
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- finance lease payables

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Commission's financial risks within the Government policy parameters.

The Commission's main financial risks include credit risk, liquidity risk and interest rate risk. The Commission manages these financial risks in accordance with its financial risk management policy.

The Commission uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Electoral Commissioner in consultation with the Audit Committee.

The carrying amounts of the Commission's contractual financial assets and financial liabilities by category are in Table 20.1 below.

**Table 20.1 Categorisation of financial instruments**

	Note	2014 \$'000	2013 \$'000
<b>Financial assets</b>			
Cash and deposits	21	2	3
Other receivables	7	133	8
<b>Total contractual financial assets</b>		<b>135</b>	<b>11</b>
<b>Financial liabilities</b>			
Trade and other payables	12	672	380
Lease liabilities	17	90	79
<b>Total contractual financial liabilities</b>		<b>762</b>	<b>459</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

### Note 20. Financial instruments (continued)

#### (b) Financial risks

##### (i) Liquidity risk

Liquidity risk is the risk that the Commission would be unable to meet its financial obligations as and when they fall due. The Commission operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Commission's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Commission's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The following table discloses the contractual maturity analysis for the Commission's contractual financial liabilities:

**Table 20.2 Maturity analysis of contractual financial liabilities (i)**

(\$ thousand)

Maturity dates

	Carrying amount	Nominal Amount	less than 1 month	1-3 months	3 months -1 year	1-5 years	+ 5 years
<b>2014</b>							
<b>(ii) Payables</b>							
Trade and other payables	672	672	672	-	-	-	-
<b>Borrowings</b>							
Lease liabilities	90	95	18	5	44	28	-
<b>Total</b>	<b>762</b>	<b>767</b>	<b>690</b>	<b>5</b>	<b>44</b>	<b>28</b>	<b>-</b>
<b>2013</b>							
<b>(ii) Payables</b>							
Trade and other payables	380	380	380	-	-	-	-
<b>Borrowings</b>							
Lease liabilities	79	85	2	5	23	55	-
<b>Total</b>	<b>459</b>	<b>465</b>	<b>382</b>	<b>5</b>	<b>23</b>	<b>55</b>	<b>-</b>

Note: (i) Maturity analysis is presented using the contractual undiscounted cash flows.  
(ii) The carrying amounts disclosed exclude statutory amounts (e.g. GST payables).

### Note 20. Financial instruments (continued)

#### (ii) Credit risk

Credit risk arises from the contractual financial assets of the Commission, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Commission's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Commission. Credit risk is measured at fair value and is monitored on a regular basis.

In addition, the Commission does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Commission's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Commission will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Commission's maximum exposure to credit risk without taking account of the value of any collateral obtained. The Commission is not exposed to any material credit risk at balance date.

#### (iii) Market risk

The Commission's exposures to market risk are primarily through foreign currency risk and interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

##### Foreign currency risk

The Commission is exposed to foreign currency risk mainly through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of transactions denominated in foreign currencies and a relatively short timeframe between commitment and settlement.

Based on past and current assessment of economic outlook, it is deemed unnecessary for the Commission to enter into any hedging arrangements to manage the risk.

The Commission is not exposed to any material foreign currency risk.

##### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Commission does not hold any interest bearing financial instruments that are measured at fair value, therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Commission has minimal exposure to cash flow interest rate risks through its cash and bank overdrafts that are at a floating rate.

The Commission manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. The Commission's exposure to interest rate risk is limited to finance leases.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in Table 20.3. As all interest rates are fixed at balance date, the Commission is not exposed to any material interest rate risk.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Note 20. Financial instruments (continued)

**Table 20.3: Interest rate exposure of financial instruments**

	Weighted average interest rate %	Carrying amount	(\$ thousand)		
			Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
<b>2014</b>					
<b>Financial assets</b>					
Cash and deposits	-	2	-	-	2
(i) Receivables					
Other receivables	-	133	-	-	133
<b>Total financial assets</b>		<b>135</b>	<b>-</b>	<b>-</b>	<b>135</b>
<b>Financial liabilities</b>					
(i) Payables					
Trade and other payables	-	672	-	-	672
Borrowings					
Lease liabilities	6.59	90	90	-	-
<b>Total financial liabilities</b>		<b>762</b>	<b>90</b>	<b>-</b>	<b>672</b>
<b>2013</b>					
<b>Financial assets</b>					
Cash and deposits	-	3	-	-	3
(i) Receivables					
Other receivables	-	8	-	-	8
<b>Total financial assets</b>		<b>11</b>	<b>-</b>	<b>-</b>	<b>11</b>
<b>Financial liabilities</b>					
(i) Payables					
Trade and other payables	-	380	-	-	380
Borrowings					
Lease liabilities	6.58	79	79	-	-
<b>Total financial liabilities</b>		<b>459</b>	<b>79</b>	<b>-</b>	<b>380</b>

Note: (1) The carrying amounts disclosed here exclude statutory amounts (e.g. Amounts owing from Victorian Government, GST input tax credit recoverable, and GST payables).

Note 20. Financial instruments (continued)

### (c) Fair value

The Commission considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as their carrying amounts:

**Table 20.4: Comparison between carrying amount and fair value**

	(\$ thousand)			
	Carrying amount	Fair value	Carrying amount	Fair value
	2014	2014	2013	2013
<b>Contractual financial assets</b>				
Cash and deposits	2	2	3	3
(i) Receivables				
Other receivables	133	133	8	8
<b>Total contractual financial assets</b>	<b>135</b>	<b>135</b>	<b>11</b>	<b>11</b>
<b>Contractual financial liabilities</b>				
(i) Payables				
Trade and other payables	672	672	380	380
Borrowings				
Lease liabilities	90	90	79	79
<b>Total contractual financial liabilities</b>	<b>762</b>	<b>762</b>	<b>459</b>	<b>459</b>

Note: (i) The carrying amounts disclosed here exclude statutory amounts (e.g. Amounts owing from Victorian Government, GST input tax credit recoverable, and GST payables).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### Note 21. Cash flow information

##### (a) Reconciliation of cash and cash equivalents

	2014 \$'000	2013 \$'000
(i) Total cash and deposits disclosed in the balance sheet	2	3
<b>Balance as per cash flow statement</b>	<b>2</b>	<b>3</b>

Note: (i) Due to the State of Victoria's investment policy and government funding arrangements, the Commission does not hold a large cash reserve in its bank accounts. Cash received by the Commission from the generation of income is generally paid into the State's bank account, known as the public account. Similarly, any Commission expenditure, including those in the form of cheques drawn by the Commission for the payment of goods and services to its suppliers and creditors are made via the Public Account. The process is such that, the public account would remit to the Commission the cash required for the amount drawn on the cheques. This remittance by the public account occurs upon the presentation of the cheques by the Commission's suppliers or creditors.

The above funding arrangements often result in the Commission having a notional shortfall in the cash at bank required for payment of unrepresented cheques at the reporting date. At 30 June 2014, cash at bank had no unrepresented cheque (2013 - \$103)

##### (b) Reconciliation of net result for the period

	2014 \$'000	2013 \$'000
<b>Net result for the period</b>	(1,936)	(1,411)
<b>Non-cash movements:</b>		
(Gain)/loss on sale or disposal of non-current assets	-	-
Depreciation and amortisation of non current assets	1,579	1,370
<b>Movements in assets and liabilities</b>		
(Increase) / decrease in receivables	209	(258)
(Increase) / decrease in inventories	(183)	(575)
Decrease / (increase) in other non-financial assets	(314)	252
Increase / (decrease) in payables	292	101
Increase / (decrease) in provisions	67	48
Increase / (decrease) in other liabilities	285	477
<b>Net cash flows from/(used in) operating activities</b>	<b>(1)</b>	<b>4</b>

##### (c) Financing facilities

	2014 \$'000	2013 \$'000
<b>Unsecured loan facilities with various maturity dates through to 2013 and which may be extended by mutual agreement</b>		
Amount used	-	-
Amount unused	-	-
	-	-

#### Note 22. Summary of compliance with annual special appropriations

The following table discloses the details of the annual Parliamentary appropriations received by the Commission via the Department of Justice for the year. In accordance with accrual output-based management procedures provisions of outputs' and 'additions to net assets' are disclosed as 'controlled' activities of the Commission. Administered transactions are those that are undertaken on behalf of the State over which the Commission has no control or discretion.

	Revenue from government	
	2014 \$'000	2013 \$'000
<b>Controlled</b>		
Provision for outputs	23,062	40,245
Additions to net assets	2,330	2,239
<b>Administered</b>		
Payments made on behalf of the State (Note 3)	16	78
<b>Total</b>	<b>25,408</b>	<b>42,562</b>

#### Note 23. Ex-gratia payments

The Commission made no ex-gratia payments during the reporting period. (2013 - Nil)

#### Note 24. Trust account balances

##### (a) Trust account balances relating to trust accounts administered by the Commission

	2014 \$'000				2013 \$'000			
	Opening balance as at 1 July 2013	Total receipts	Total payments	Closing balance as at 30 June 2014	Opening balance as at 1 July 2012	Total receipts	Total payments	Closing balance as at 30 June 2013
<b>Cash and cash equivalents</b>								
<b>Administered trusts</b>								
Candidates deposits State and Local Governments	-	11	11	-	6	507	513	-
Fines State and Local Governments	2,073	1,629	3,448	254	15	9,179	7,121	2,073
Bank overdraft	(1,048)	2,834	1,786	-	-	21,839	22,887	(1,048)
<b>Total administered trusts</b>	<b>1,025</b>	<b>4,474</b>	<b>5,245</b>	<b>254</b>	<b>21</b>	<b>31,525</b>	<b>30,521</b>	<b>1,025</b>

Under the *Electoral Act 2002 and Local Government Act 1989*, the Commission has responsibility for transactions and balances relating to trust funds on behalf of the State and Local Government. Income, expenses, assets and liabilities managed

on behalf of third parties are not recognised in these financial statements as they are managed on a fiduciary and custodial basis, and therefore are not controlled by the Commission.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

### Note 25. Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Section 7 of the *Electoral Act 2002* states that the 'Commission consists of one member being the person who is appointed as the Electoral Commissioner'. Section 10 of the *Electoral Act 2002* also states that the 'Commission is not subject to the direction or control of the Minister in respect of the performance of its responsibilities and functions and the exercise of its powers', therefore the accountable officers of the Commission are as listed below.

#### Names

The person who held the positions of accountable officer in the Commission are as follows:

Electoral Commissioner  
Mr Warwick Gately AM  
1 July 2013 to 30 June 2014

#### Remuneration

Remuneration received or receivable by the accountable officer in connection with the management of the Commission during the reporting period was in the range:

\$290,000 - \$299,999 (\$50,000 - \$50,999 in 2013)

#### Related party transactions

There were no related party transactions during 2014. (2013 - Nil)

### Note 26. Remuneration of executives and payments to other personnel (i.e. contractors with significant management responsibilities)

The numbers of executive officers, other than the Accountable Officer, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period. There were no payments made to contractors with significant management responsibility in 2014 (2013: Nil).

Income band	Total remuneration		Base remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
\$210,000 - \$219,999	1	-	1	-
\$250,000 - \$259,999	-	1	-	1
Total number of executives	1	1	1	1
Total annualised employee equivalents (i)	1	1	1	1

Note: (i) Annualised employee equivalent is based in paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

### Note 27. Remuneration of auditors

	2014 \$'000	2013 \$'000
<b>Victorian Auditor General's Office</b>		
Audit of the financial statements	21	23
	<b>21</b>	<b>23</b>

### Note 28. Subsequent events

The Victorian Electoral Commission has no material or significant events occurring after the reporting date.

### Note 29. Glossary of Terms and style conventions

#### Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an other economic flow.

#### Borrowings

Borrowings refers to finance leases.

#### Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

#### Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-financial physical assets used in the provision of outputs.

#### Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

#### Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

#### Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefit superannuation plans and defined contribution superannuation plans.

#### Ex gratia payments

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

#### Financial asset

A financial asset is any asset that is

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

#### Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are non contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

#### Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
  - (i) To deliver cash or another financial asset to another entity; or
  - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
  - (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

## Financial statements

A complete set of financial statements comprises:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

## General government sector

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

## Intangible produced assets

Refer to produced asset in this glossary.

## Interest expense

Costs incurred in connection with the borrowing of funds includes the interest component, of finance lease repayments.

## Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows - other comprehensive income'.

## Net worth

Assets less liabilities, which is an economic measure of wealth.

## Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets and fair value changes of financial instruments.

## Other economic flows - other comprehensive income

Other economic flows - other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

## Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

## Produced assets

Produced assets include plant and equipment, inventories and certain intangible assets. Intangible produced assets may include computer software.

## Receivables

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable.

## Sales of goods and services

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

## Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Commission.

## Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

## Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

.. zero, or rounded to zero  
 (xxx.x) negative numbers  
 200x year period  
 200x-0x year period

The financial statements and notes are presented based on the illustration for a government department in the 2013-14 *Model Report for Victorian Government departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Commission's annual reports.

# ELECTORAL COMMISSIONER AND ACCOUNTABLE OFFICER'S DECLARATION

# AUDITOR-GENERAL'S REPORT

VICTORIAN ELECTORAL COMMISSION

Accountable officer's and chief finance and accounting officer's declaration

The attached financial statements for the Victorian Electoral Commission have been prepared in accordance with Standing Directions 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2014 and financial position of the Commission at 30 June 2014.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 15 August 2014.



Warwick Gajdy AM  
Electoral Commissioner  
Victorian Electoral Commission


Melbourne  
15 August 2014



Matthew Beattie  
Chief Finance and Accounting Officer  
Victorian Electoral Commission

Melbourne  
15 August 2014

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**VAGO**  
Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

**INDEPENDENT AUDITOR'S REPORT**

**To the Electoral Commissioner, Victorian Electoral Commission**

*The Financial Report*

The accompanying financial report for the year ended 30 June 2014 of the Victorian Electoral Commission which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

*The Electoral Commissioner's Responsibility for the Financial Report*

The Electoral Commissioner of the Victorian Electoral Commission is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Electoral Commissioner determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

*Auditing in the Public Interest*

# APPENDICES

## Independent Auditor's Report (continued)

### Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.


### Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Electoral Commission as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

### Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Victorian Electoral Commission for the year ended 30 June 2014 included both in the Victorian Electoral Commission's annual report and on the website. The Electoral Commissioner of the Victorian Electoral Commission is responsible for the integrity of the Victorian Electoral Commission's website. I have not been engaged to report on the integrity of the Victorian Electoral Commission's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
21 August 2014

  
for Dr Peter Frost  
Acting Auditor-General

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# APPENDIX A

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### GOVERNING LEGISLATION AND REGULATIONS

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- *Building Act 1993*
- *Charter of Human Rights and Responsibilities Act 2006*
- *City of Greater Geelong Act 1993*
- *City of Melbourne Act 2001*
- *Constitution Act 1975*
- *Electoral Act 2002*
- *Electoral Boundaries Commission Act 1982*
- *Equal Opportunity Act 2010*
- *Essential Services Act 1958*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Information Privacy Act 2000*
- *Infringements Act 2006*
- *Juries Act 2000*
- *Legal Profession Act 2004*
- *Liquor Control Reform Act 1998*
- *Local Government Act 1989*
- *Monetary Units Act 2004*
- *Protected Disclosure Act 2012*
- *Public Records Act 1973*
- *Shop Trading Reform Act 1996*
- *Vital State Projects Act 1976*

#### Regulations

- *Agricultural Industry Development (Polls) Regulations 2011*
- *City of Melbourne (Electoral) Regulations 2012*
- *Electoral Regulations 2012*
- *Infringements (General) Regulations 2006*
- *Infringements (Reporting and Prescribed Details and Forms) Regulations 2006*
- *Legal Profession (Board Election) Regulations 2006*
- *Liquor Control Reform Regulations 2009*
- *Local Government (Electoral) Regulations 2005*

## APPENDIX C

### ADDITIONAL INFORMATION AVAILABLE ON REQUEST

- Details of publications produced by the VEC about itself, and where these can be obtained
- Details of changes in prices, fees, charges, rates and levies charged by the VEC
- Details of any major external reviews carried out in respect of the operation of the VEC
- Details of major research and development activities undertaken by the VEC that are not otherwise covered in this report
- Details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- Details of assessments and measures undertaken to improve the occupational health and safety of employees not otherwise detailed in this report
- A general statement on industrial relations within the VEC and details of time lost through industrial accidents and disputes

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## APPENDIX D

### REPORTING PROCEDURES UNDER THE PROTECTED DISCLOSURE ACT 2012

Disclosures of improper conduct or detrimental action by the Victorian Electoral Commissioner must be made to the Independent Broad-based Anti-corruption Commission.

IBAC  
GPO Box 24234  
Melbourne VIC 3001

Disclosures of improper conduct or detrimental action by an officer of the VEC may be made to the Protected Disclosures Officer or the directly to the Ombudsman.

#### Protected Disclosures Officer

Victorian Electoral Commission  
Level 11, 530 Collins Street  
Melbourne  
Phone 03 8620 1100

#### The Ombudsman Victoria

Level 1, 459 Collins Street (North Tower)  
Melbourne VIC 3000  
Phone: (03) 9613 6222  
Toll free: 1800 806 314  
Internet: [ombudsman.vic.gov.au](http://ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)

#### Further information

Written guidelines outlining the system for reporting disclosures of improper conduct or detrimental action by the VEC or its employees are available from the VEC.

## APPENDIX E

### MAKING A REQUEST UNDER THE FREEDOM OF INFORMATION ACT 1982

Access to documents may be obtained through written request to the Freedom of Information (FOI) Officer, as detailed in s17 of the Freedom of Information Act 1982.

In summary, the requirements for making a request are:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of the VEC should be lodged by email to [foi@vec.vic.gov.au](mailto:foi@vec.vic.gov.au) or by mail addressed to:

#### Freedom of Information Officer

Victorian Electoral Commission  
Level 11, 530 Collins Street  
Melbourne VIC 3000

Access charges may also apply once documents have been processed and a decision on access is made; for example photocopying and search and retrieval charges.

Further information regarding Freedom of Information can be found at [foi.vic.gov.au](http://foi.vic.gov.au).



## APPENDIX F

### ELECTIONS, BY-ELECTIONS, COUNTBACKS AND POLLS, 2013-14

Election	Type	Election Date	Voting Method	Location	Voters
Moka Pot Cafe	Liquor Licensing Poll	08/07/2013	Postal	VEC	1,769
Baw Baw Shire Council Mount Worth Ward	Municipal Countback	29/07/2013	N/A	Warragul	N/A
Kingston City Council EA	Commercial Election	30/08/2013	Attendance	VEC	1,472
Colac Otway Shire Council	Municipal Countback	21/08/2013	N/A	Colac	N/A
Central Goldfield Shire Council Flynn Ward	Municipal By-election	23/08/2013	Postal	Maryborough	1,626
Paradai III Thai Restaurant	Liquor Licensing Poll	02/09/2013	Postal	VEC	1,095
Campaspe Shire Council Kyabram-Deakin Ward	Municipal Countback	04/09/2013	N/A	Echuca	N/A
Salsas Camberwell	Liquor Licensing Poll	20/09/2013	Postal	VEC	938
Sunbury Poll	Commercial Election	25/09/2013	Postal	VEC	118,708
Wyndham City Council Chaffey Ward	Municipal Countback	24/10/2013	N/A	Werribee	N/A
Stonnington City Council EA	Commercial Election	22/11/2013	Postal	VEC	861
Hindmarsh Shire Council North Ward	Municipal By-election	23/11/2013	Postal	Jeparit	1,648
Greater Geelong City Council Mayoral Election	Municipal By-election	23/11/2013	Postal	Geelong	174,121
Northern Grampians Shire Council Kara Kara Ward	Municipal By-election	23/11/2013	Postal	St Arnaud	3,108
Postino	Liquor Licensing Poll	26/11/2013	Postal	VEC	1,484
Bayside City Council Central Ward	Municipal Countback	06/01/2014	N/A	Sandringham	N/A
Hobsons Bay City Council Wetlands Ward	Municipal Countback	13/02/2014	N/A	Altona	N/A
Ararat Rural City Council	Municipal By-election	15/02/2014	Postal	Ararat	9,122
Victorian Canine Association	Commercial Election	03/03/2014	Postal	VEC	9,500
Hobsons Bay City Council Cherry Lake Ward	Municipal Countback	13/03/2014	N/A	Altona	N/A
Northern Grampians Shire South West Ward	Municipal By-election	15/03/2014	Postal	Stawell	1,594
Department of Environment and Primary Industries	Commercial Election	Various	Attendance	Swan Hill and Stawell	Various
Legal Services Board	Commercial Election	06/05/2014	Postal	VEC	18,354
Whittlesea City Council North Ward	Municipal Countback	16/05/2014	N/A	South Morang	N/A
Mount Alexander Shire Council Calder Ward	Municipal By-election	17/05/2014	Postal	Castlemaine	2,086
Domenic's Restaurant	Liquor Licensing Poll	19/05/2014	Postal	VEC	1,559
Glen Iris Pantry	Liquor Licensing Poll	19/05/2014	Postal	VEC	1,744
ToWoo Korean Charcoal BBQ Restaurant	Liquor Licensing Poll	19/05/2014	Postal	VEC	1,643
Victorian Canine Association Survey of Wolfhound Breeders 2014	Commercial Election	23/05/2014	Postal	VEC	52
Victorian Canine Association Survey of VCA Breeders 2015	Commercial Election	13/06/2014	Postal	VEC	4,590
Greater Shepparton City Council	Municipal Countback	23/06/2014	N/A	Shepparton	N/A
Mornington Peninsula Shire Council EBA	Commercial Election	30/06/2014	Postal	VEC	1,307
Ballarat City Council	Municipal Countback	30/06/2014	N/A	Ballarat	N/A

## APPENDIX G

### ENFORCEMENT OF COMPULSORY VOTING, 2013-14

Election	Notice Type*	Mailout Date	Records	Penalties collected to 30 June 2014	Infringements Court Lodgement Date	No. of records lodged
Mount Alexander	1	10-Jun	TBC	N/A		
Calder Ward By-election	2		N/A	N/A	due to be lodged	
17/05/2014	3				22-Jan-15	
Balwyn North LLP	1	10-Jun	TBC	N/A		
(Domenic's)	2		N/A	N/A	due to be lodged	
19-May-14	3				22-Jan-15	
Glen Iris LLP	1	10-Jun	TBC	N/A		
(Glen Iris Pantry)	2		N/A	N/A	due to be lodged	
19-May-14	3				22-Jan-15	
Surrey Hills LLP	1	10-Jun	TBC	N/A		
(ToWoo)	2		N/A	N/A	due to be lodged	
19-May-14	3				22-Jan-15	
Northern Grampians	1	11-Apr	154	N/A		
South West Ward By-election	2	23-May	95	\$792.00	due to be lodged	
15-Mar-14	3				23-Nov-14	
Ararat Rural City	1	14-Mar	783	N/A		
By-election	2	28-Apr	511	\$6,644.00	due to be lodged	
15-Feb-14	3	24-Jun	377	\$567.10	28-Oct-14	
Deepdene LLP	1	17-Jan	229	N/A		
(Postino)	2	28-Feb	137	\$3,384.00	due to be lodged	
26-Nov-13	3	28-Apr	67	\$1,593.60	28-Aug-14	
Greater Geelong	1	17-Jan	14,800	N/A		
Mayoral By-election	2	28-Feb	10,252	\$167,213.51	due to be lodged	
23-Nov-13	3	28-Apr	7,319	\$88,118.65	28-Aug-14	
Northern Grampians	1	17-Jan	238	N/A		
Kara Kara Ward By-election	2	28-Feb	152	\$2,016.00	due to be lodged	
23-Nov-13	3	28-Apr	107	\$1,452.34	28-Aug-14	

## APPENDIX G

### ENFORCEMENT OF COMPULSORY VOTING, 2013-14 (continued)

Election Type/Date	Notice Type*	Mailout Date	Records	Penalties collected to 30 June 2014	Infringements Court Lodgement Date	No. of records lodged
Hindmarsh	1	17-Jan	130	N/A		
North Ward By-election	2	28-Feb	76	\$1,299.00	due to be lodged	
23-Nov-13	3	28-Apr	45	\$239.10	28-Aug-14	
Camberwell LLP	1	21-Oct	115	N/A		
(Salsas)	2	06-Dec	57	\$1,292.00		
30-Sep-13	3	19-Feb	32	\$1,023.00	24-Apr-14	21
Ashburton LLP	1	19-Sep	245	N/A		
(Paradai III)	2	04-Nov	129	\$2,952.00		
02-Sep-13	3	17-Jan	69	\$855.90	28-Mar-14	54
Central Goldfields	1	06-Sep	113	N/A		
Flynn Ward By-election	2	17-Oct	63	\$738.00		
24-Aug-13	3	06-Dec	46	\$576.40	11-Feb-14	39
Balwyn North LLP	1	16-Aug	314	N/A		
(Moka Pot Café)	2	04-Oct	156	\$2,592.00		
08-Jul-13	3	06-Dec	82	\$1,239.00	20-Feb-14	64
Ararat Rural City	1	19-Jul	952	N/A		
By-election	2	04-Sep	586	\$9,940.00		
22-Jun-13	3	04-Nov	393	\$4,886.40	17-Jan-14	320
Lyndhurst	1	21-Jun	6,919	N/A		
District By-election	2	02-Aug	4,964	\$86,472.00		
27-Apr-13	3	04-Oct	3,286	\$37,467.30	20-Dec-13	2,611

\* 1 - Apparent Failure to Vote

2 - Infringement

3 - Penalty Reminder

## APPENDIX H

### INFORMATION PROVIDED UNDER SECTION 34 OF THE ELECTORAL ACT 2002

During 2013-14, the VEC entered into agreements to provide electoral enrolment information to the following organisations under section 34 of the *Electoral Act 2002* or other legislation. All agreements made under section 34 are available for view at the VEC head office.

Organisation	Duration	Purpose
Department of Human Services, FIND (Family Information, Networks and Discovery)	Ongoing	The Victorian Electoral Commission will conduct verification of certain addresses as provided by FIND and in certain instances provide the current address held by the VEC, to enable FIND to fulfil its duties under the <i>Adoption Act 1984</i> .
Independent Broadbased Anti-Corruption Commission (IBAC)	Ongoing	The Victorian Electoral Commission will provide the names of electors enrolled at subject addresses in order for the IBAC to fulfil its duties under the <i>IBAC Act 2011</i>
Austin Hospital Department of Gastroenterology and Hepatology, Primary Biliary Cirrhosis Study of risk factors	Once only	The Victorian Electoral Commission provided the name, address and gender of 2000 electors in a five-year age band, randomly selected from the Register of Electors.
University of Newcastle Australian Study of Women's Health	Once only	The Victorian Electoral Commission provided the name, address (residential and postal) and dates of birth of female electors in four age ranges - born 1988-1995, 1971-1980, 1944-1953, 1919-1928 to assist with tracking participants in three ongoing study groups.

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## APPENDIX I

### REGISTERED POLITICAL PARTIES, 30 JUNE 2014

Political Party	Registered Officer
Australian Christians	Mr Spero Katos Registered Officer PO Box 258 Croydon Vic. 3136
Australian Country Alliance	Mr Russell William Bate Registered Officer PO Box 24415 Melbourne Vic. 3001
Australian Labor Party – Victorian Branch	Mr Noah Carroll State Secretary 438 Docklands Drive Docklands Vic. 3008
Australian Sex Party – Victoria	Ms Ange Hopkins Registered Officer PO Box 1131 Carlton Vic. 3053
Democratic Labor Party (DLP) of Australia	Mr Michael Murphy Registered Officer GPO Box 1402 Melbourne Vic. 3001
Family First Party Victoria Inc.	Mr Darren Buller Secretary PO Box 83 Canterbury Vic. 3126
Liberal Party of Australia – Victorian Division	Mr Damian Mantach State Director 104 Exhibition Street Melbourne Vic. 3000
National Party of Australia – Victoria	Mrs Jenny Hammett State Director Level 5, 30 Collins Street Melbourne Vic. 3000
Socialist Alliance – Victoria	Ms Susanne Bolton Registered Officer PO Box 12427 A'Beckett Street Vic. 8006
The Australian Greens – Victoria	Mr Gurmeet Sekhon Registered Officer GPO Box 4589 Melbourne Vic. 3001

## APPENDIX J

### ELECTOR STATISTICS BY REGION, 30 JUNE 2012-2014

	2012	Variance	2013	Variance	2014	Variance
Eastern Metropolitan	425,427	-6.08	426,022	-6.96	428,799	-8.91
Eastern Victoria	463,253	2.27	468,343	2.29	481,618	2.31
Northern Metropolitan	458,570	1.24	465,774	1.73	483,802	2.77
Northern Victoria	433,183	-4.36	436,734	-4.62	446,649	-5.12
South Eastern Metropolitan	449,238	-0.82	454,064	-0.83	467,573	-0.68
Southern Metropolitan	429,695	-5.13	433,107	-5.41	444,362	-5.61
Western Metropolitan	491,046	8.41	500,188	9.24	520,843	10.64
Western Victoria	473,185	4.47	478,725	4.55	492,400	4.60
Total number of electorates:	8		8		8	
Total number of electors:	3,623,597		3,662,957		3,766,046	
Average number of electors:	452,950		457,870		470,756	

Variance is the percentage difference between the average number of electors per Region and the number of electors in the Region



## APPENDIX K

### ELECTOR STATISTICS BY DISTRICT, 30 JUNE 2012-2014

	2012	Variance	2013	Variance	2014	Variance
Albert Park	47,102	14.39	48,000	15.32	50,945	19.04
Altona	54,294	31.86	56,554	35.87	61,403	43.48
Ballarat East	41,187	0.02	41,635	0.02	42,690	-0.25
Ballarat West	44,614	8.35	45,118	8.39	46,303	8.20
Bass	51,793	25.78	53,748	29.12	57,641	34.69
Bayswater	36,717	-10.83	36,829	-11.52	37,264	-12.92
Bellarine	45,321	10.06	46,124	10.81	47,692	11.44
Benalla	36,964	-10.23	37,216	-10.59	37,685	-11.94
Benambra	37,742	-8.34	38,047	-8.6	39,165	-8.48
Bendigo East	41,301	0.3	41,775	0.36	43,559	1.79
Bendigo West	42,011	2.03	42,348	1.74	43,355	1.31
Bentleigh	39,219	-4.76	39,496	-5.11	39,887	-6.80
Box Hill	38,921	-5.48	39,037	-6.22	39,145	-8.53
Brighton	38,670	-6.09	38,811	-6.76	39,796	-7.01
Broadmeadows	37,118	-9.86	37,408	-10.13	38,364	-10.35
Brunswick	42,714	3.73	43,624	4.8	45,666	6.71
Bulleen	35,315	-14.24	35,235	-15.35	35,178	-17.80
Bundoora	36,213	-12.06	36,093	-13.29	36,350	-15.06
Burwood	39,194	-4.82	39,250	-5.71	39,917	-6.73
Carrum	42,651	3.58	42,888	3.03	43,775	2.29
Caulfield	37,495	-8.94	37,887	-8.98	38,629	-9.73
Clayton	33,886	-17.71	33,953	-18.43	34,568	-19.22
Cranbourne	50,307	22.17	52,449	26	57,255	33.79
Dandenong	35,214	-14.48	35,227	-15.37	35,907	-16.10
Derrimut	41,762	1.42	42,694	2.57	44,082	3.01
Doncaster	36,415	-11.56	36,270	-12.86	36,327	-15.11
Eltham	39,219	-4.76	39,199	-5.83	39,169	-8.47
Essendon	40,057	-2.72	40,191	-3.45	41,228	-3.66
Evelyn	40,424	-1.83	40,642	-2.36	41,239	-3.64
Ferntree Gully	44,551	8.19	44,782	7.58	45,143	5.49
Footscray	40,860	-0.77	41,898	0.66	44,007	2.83
Forest Hill	35,886	-12.85	35,648	-14.36	35,682	-16.62
Frankston	36,286	-11.88	36,258	-12.89	37,234	-12.99
Geelong	40,010	-2.83	39,987	-3.94	40,434	-5.52
Gembrook	44,037	6.95	44,663	7.3	45,883	7.22
Gippsland East	41,792	1.49	41,846	0.53	42,712	-0.19

## APPENDIX K

### ELECTOR STATISTICS BY DISTRICT, 30 JUNE 2012-2014 (continued)

	2012	Variance	2013	Variance	2014	Variance
Gippsland South	39,466	-4.16	39,621	-4.81	39,971	-6.60
Hastings	45,815	11.26	46,496	11.7	48,316	12.90
Hawthorn	38,867	-5.61	38,999	-6.31	39,988	-6.56
Ivanhoe	38,500	-6.5	38,638	-7.18	38,942	-9.00
Keilor	53,751	30.54	54,562	31.08	56,351	31.68
Kew	37,007	-10.13	36,906	-11.34	37,355	-12.71
Kilsyth	41,085	-0.22	41,602	-0.06	42,556	-0.56
Kororoit	43,552	5.77	44,006	5.72	45,109	5.41
Lara	45,144	9.63	45,895	10.26	47,738	11.55
Lowan	38,305	-6.97	38,137	-8.38	38,310	-10.48
Lyndhurst	42,660	3.6	43,995	5.69	45,387	6.06
Macedon	48,602	18.03	49,419	18.72	50,567	18.16
Malvern	38,268	-7.06	38,640	-7.17	39,265	-8.25
Melbourne	44,931	9.12	45,599	9.55	49,230	15.04
Melton	45,462	10.41	47,009	12.93	49,981	16.79
Mildura	37,924	-7.9	38,147	-8.36	38,844	-9.23
Mill Park	41,547	0.9	41,669	0.11	41,836	-2.24
Mitcham	36,932	-10.31	37,095	-10.88	37,479	-12.42
Monbulk	37,899	-7.96	37,879	-9	38,129	-10.90
Mordialloc	42,130	2.31	42,305	1.63	42,886	0.21
Mornington	40,870	-0.75	41,471	-0.37	42,404	-0.91
Morwell	38,837	-5.68	38,816	-6.75	39,473	-7.76
Mount Waverley	36,824	-10.57	36,712	-11.8	36,682	-14.28
Mulgrave	34,848	-15.37	34,613	-16.85	35,190	-17.77
Murray Valley	38,852	-5.65	39,009	-6.28	39,639	-7.37
Narracan	43,390	5.37	43,801	5.23	45,083	5.35
Narre Warren North	40,448	-1.77	40,664	-2.31	41,468	-3.10
Narre Warren South	53,984	31.1	55,000	32.13	57,221	33.71
Nepean	38,929	-5.46	39,360	-5.44	40,767	-4.74
Niddrie	36,603	-11.11	36,664	-11.92	37,356	-12.71

OUR YEAR

OUR COMMISSION

OUR CORE BUSINESS

OUR VOTERS

OUR PEOPLE

FINANCIAL STATEMENTS

APPENDICES

## APPENDIX K

### ELECTOR STATISTICS BY DISTRICT, 30 JUNE 2012-2014 (continued)

	2012	Variance	2013	Variance	2014	Variance
Northcote	40,902	-0.67	41,051	-1.38	42,590	-0.48
Oakleigh	35,822	-13	36,110	-13.25	36,797	-14.02
Pascoe Vale	40,924	-0.61	41,354	-0.65	42,671	-0.29
Polwarth	42,352	2.85	42,606	2.36	43,332	1.25
Prahran	39,813	-3.31	40,529	-2.63	42,547	-0.58
Preston	38,957	-5.39	39,031	-6.23	39,897	-6.77
Richmond	41,826	1.58	42,699	2.58	45,148	5.50
Ripon	37,670	-8.52	37,842	-9.09	38,647	-9.69
Rodney	36,738	-10.78	36,721	-11.78	37,223	-13.02
Sandringham	38,238	-7.14	38,479	-7.56	39,236	-8.32
Scoresby	38,893	-5.55	38,684	-7.07	38,737	-9.48
Seymour	41,515	0.82	42,391	1.84	44,195	3.27
Shepparton	38,566	-6.34	38,769	-6.86	39,425	-7.87
South Barwon	49,523	20.27	50,626	21.62	52,902	23.62
South-West Coast	43,597	5.88	43,746	5.1	44,371	3.68
Swan Hill	32,968	-19.94	32,892	-20.98	32,992	-22.91
Tarneit	49,232	19.56	50,067	20.28	52,274	22.15
Thomastown	36,545	-11.25	36,553	-12.18	36,736	-14.16
Warrandyte	41,491	0.76	41,641	0.04	42,119	-1.58
Williamstown	39,328	-4.49	39,663	-4.71	40,637	-5.04
Yan Yean	59,317	44.05	63,409	52.33	69,043	61.33
Yuroke	50,683	23.09	52,535	26.21	55,725	30.21

<b>Total number of electorates:</b>	88
<b>Total number of electors:</b>	3,766,046
<b>Average number of electors:</b>	42,796

Variance is the percentage difference between the average number of electors per District and the number of electors in the District.

## APPENDIX L

### ENROLMENT TRANSACTIONS, 2009-10 TO 2013-14

State direct enrolment activity from information sourced from the following organisations	2009-10	2010-11	2011-12	2012-13	2013-14
Vic Roads			25,493	84,762	153,351
VCAA		5,904	11,495	7,668	5,466
Local Government Post Election Follow Up			-	20,069	-
AEC					87,545
		5,904	36,988	112,499	246,362
<b>Enrolment application transactions - forms</b>					
<b>VEC mailout programs</b>					
<i>Current</i>					
AEC	-	-	-	-	358
Victorian Curriculum and Assessment Authority (VCAA)	13,598	10,639	15,043	16,112	13,976
VCAA Over 18 years 2010 State election mail-out	-	603	-	-	-
Residential Tenancies Bond Authority	36,347	6,706	38,623	20,860	4,104
VicRoads	57,653	5,754	27,252	8,422	11,795
Victorian Tertiary Admissions Centre	1,771	935	2,624	168	17
Local government post-election follow-up	898	112	-	6,100	1
<i>Non-current</i>					
TRU Energy	-	-	-	-	-
Yarra Valley Water	-	-	-	-	-
2000-01 redivision mailout	2	-	-	-	-
<b>VEC mailout programs - total</b>	<b>110,269</b>	<b>24,749</b>	<b>83,542</b>	<b>51,662</b>	<b>30,251</b>
<b>VEC non-mailout programs</b>					
VEC general enrolment form	9,628	31,355	7,288	9,568	5,590
On-the-day enrolment/Provisional votes	NA	33,593	289	1,027	-
Joint AEC/VEC enrolment form	5,824	2,971	2,396	2,358	1,214
Liquor Licencing Victoria	1,418	1,398	1,790	1,437	-
VEC website	7,787	35,838	3,687	810	572
VEC municipal enrolment form (M)	1,054	981	1,155	12,446	3,160
Community programs	NA	77	15	607	105
Supermarkets	350	-	-	-	-
<b>VEC non-mailout programs - total</b>	<b>26,061</b>	<b>106,213</b>	<b>16,620</b>	<b>28,253</b>	<b>10,641</b>
<b>Total collected through VEC's enrolment programs</b>	<b>136,330</b>	<b>136,866</b>	<b>137,150</b>	<b>192,414</b>	<b>287,254</b>

## APPENDIX L

### ENROLMENT TRANSACTIONS, 2009-10 TO 2013-14 (continued)

State direct enrolment activity from information sourced from the following organisations	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Enrolment application transactions provided by the AEC and imported into Victorian register of electors</b>					
<b>Additions</b>					
New to roll	104,174	116,395	101,759	115,729	130,931
Reinstatements	41,343	76,331	24,071	79,416	67,246
<b>Subtotal</b>	<b>145,517</b>	<b>192,726</b>	<b>125,830</b>	<b>195,145</b>	<b>198,177</b>
<b>Changes</b>					
Change of address	294,938	378,685	260,883	409,062	558,763
<b>Total AEC Import Transactions</b>	<b>440,455</b>	<b>571,411</b>	<b>386,713</b>	<b>604,207</b>	<b>756,940</b>
<b>Less</b>					
VEC mailout programs	110,269	24,749	83,542	51,662	30,251
VEC non-mailout programs	26,061	106,213	16,620	28,253	10,641
State direct enrolments in additions and changes*		5,904	36,988	112,499	246,362
<b>Subtotal</b>	<b>136,330</b>	<b>136,866</b>	<b>137,150</b>	<b>192,414</b>	<b>287,254</b>
<b>Total collected through AEC's enrolment programs</b>	<b>304,125</b>	<b>434,545</b>	<b>249,563</b>	<b>411,793</b>	<b>469,686</b>
<b>VEC sourced enrolments as a percentage of the total</b>	<b>30.95%</b>	<b>23.95%</b>	<b>35.47%</b>	<b>31.85%</b>	<b>37.95%</b>
<b>Other enrolment transactions</b>					
<b>Special category applications</b>					
GPV applications	367	1,801	379	662	268
Overseas elector applications	758	2,371	853	2,424	847
Itinerant elector applications	55	77	54	115	66
Silent elector applications	301	102	248	228	116
<b>Subtotal</b>	<b>1,481</b>	<b>4,351</b>	<b>1,534</b>	<b>3,429</b>	<b>1,297</b>
<i>Combined subtotal</i>	<i>15,061</i>	<i>62,190</i>	<i>25,152</i>	<i>109,777</i>	<i>14,766</i>
<b>TOTAL VEC enrolment transactions</b>	<b>151,391</b>	<b>199,056</b>	<b>162,302</b>	<b>302,191</b>	<b>302,020</b>
<b>Non-application changes</b>					
Amendments to elector details	5,560	7,605	4,856	5,841	5,164
Return to sender mail	8,020	50,234	18,762	100,507	8,305

\* restated

## APPENDIX M

### ENVIRONMENTAL SUSTAINABILITY REPORT

The VEC ResourceSmart Committee (RSC), now in its sixth year of activity, continued in its role exploring and overseeing environmental efficiency gains, reductions in resource consumption, and improvements in waste management.

RSC members took part in WasteWise Melbourne Network (WWMN) events on waste management for which VEC previously gained Gold Accreditation. RSC explored alternative materials for election furniture which would have much higher reusability. The project and a possible pilot in schools will be resumed after the 2014 State election.

RSC continues to develop informational tools for VEC staff so that staff are made aware of not only their obligations for sorting rubbish and also turning off devices but also environmental events such as National Tree Planting Day where a small team of VEC staff attended a planting event at Collingwood Children's Farm.

RSC publicised and coordinated a used clothing collection for underprivileged people entering the work force and needing professional clothes and suits.

The ResourceSmart Committee uses a special branded "GreenFlash" email to promote ideas to the organisation, as well as regularly updated "tips & tricks" signage around the organisation and short humorous presentations at staff meetings. Staff are also encouraged to record improvements centrally so that these are readily available and visible to all.

For some time the VEC has been making environmentally sustainable changes across all operations. These have reflected and affected operations in other jurisdictions. Examples of collaborative environmentally sustainable strategies which deliver efficiency and cost savings include:

- Workstation PC sleep profiles were set across most departments of VEC so that PCs and screen sleep over night.
- A new contract for device sharing between electoral commissions will share 6000 portable devices instead of each commission owning its own fleet.
- Expanded electronic mark-off system centralises marking electors on the roll with the long term aim of reducing the volume of printed rolls needed at elections.
- Conversion of VEC's payroll system (which manages up to 20,000 people) to an online, paperless system encompassing pay slips, leave forms and professional development plans.

Some of the initiatives underway at the VEC include:

- A trial of an e-filing system that will also remove the need to print and physically file all documents in important projects. Instead, emails and many other reports will be kept centrally and will become electronically searchable
- VEC's ResourceSmart Committee, its goals and its achievements will be publicly known via a new VEC website being launched in August 2014.
- VEC will provide its staff with a sustainability dashboard giving paper use, logistic impact, water, power and other consumables with graphs and trends. Staff will be encouraged to review this and suggest new ways RSC can improve VEC's sustainability.

As an organisation with a focus on openness to innovative ideas, the VEC continues to seek ways to achieve environmental sustainability and drive efficiency.



# APPENDIX N

## REPORT OF THE ELECTORAL BOUNDARIES COMMISSION 2013-14

The Electoral Boundaries Commission (EBC) is constituted under the Electoral Boundaries Commission Act 1982 (the Act). The EBC must establish and maintain electorates of approximately equal enrolment (that is, not varying by more than 10% from the average for each House of Parliament) for the conduct of parliamentary elections.

The members of the EBC during 2013–14 were:

- His Honour, Chief Judge Michael Rozenes AO, Chief Judge of the County Court (Chairman);
- Mr Warwick Gately AM, Electoral Commissioner;
- Mr John Tulloch, Surveyor-General.

The VEC provides administrative and technical support to the EBC, and Dr Paul Thornton-Smith of the VEC is the secretary to the EBC.


The EBC completed the redivision of electoral boundaries that had begun in December 2012. On 27 June 2013, the EBC released proposed electoral boundaries, inviting written suggestions or objections. More than 600 suggestions or objections, most of which focussed on particular areas, were received by the deadline of 29 July 2013. The EBC arranged three public hearings (two in Melbourne and one in Bendigo) to enable people to make an oral submission in support of their written suggestion or objection. The EBC took account of the evidence and arguments presented in submissions, altering the boundaries from those proposed (which affected a total of 42,744 electors) and changing three district names.

On 17 October 2013 the EBC released the final electoral boundaries. Fifteen existing electoral districts were abolished and 15 new ones created. Comparing the existing boundaries with the final new boundaries, the EBC transferred a total of 1,068,389 electors (29.27 per cent of all Victorian electors) to different electoral districts, and 392,844 electors (10.76 per cent of the total) to different electoral regions.

The new boundaries will come into effect at the time of the next State election, scheduled for November 2014.

The total direct costs of the redivision between 2012 and 2014 were \$230,059, mostly comprising the costs of printing, advertising and population projections provided by the then Department of Planning and Community Development.

EBC files are maintained at the VEC's head office at Level 11, 530 Collins Street, Melbourne, separate from the VEC registry.



# APPENDIX O

## STRATEGIC PLAN 2013-14 TO 2017-18, STATUS REPORT

### Our Vision

All Victorians actively participating in their democracy

### Our Purpose

To deliver high quality, accessible electoral services with innovation, integrity and independence

### Our Strategic Intent

1. The VEC will provide high quality and innovative opportunities for Victorians to participate in the democratic process
2. The VEC will have transparent and accountable governance and business support systems that reinforce and sustain organisational capacity
3. The VEC will have a culture that fosters professional growth and development, ensures a safe, inclusive and engaging work environment and leads to high quality staff performance

### Enablers

What we need to have in place to achieve our Strategic Intent

### Strategic Initiatives

What we will do to achieve the enablers

### Success Indicators

How we will know the Strategic Initiative has been achieved

# APPENDIX O

## STRATEGIC PLAN 2013-14 TO 2017-18 (continued)

### First Strategic Intent

The VEC will provide high quality and innovative opportunities for all Victorians to participate in the democratic process

ENABLER: Comprehensive electoral event programs		
Strategic initiatives	Success indicators	Status
1. Maintain an effective set of electoral event plans	<ul style="list-style-type: none"> <li>Electoral events delivered within legislative and organisational requirements</li> <li>VEC project management framework applied consistently in managing electoral events</li> <li>Event plans are ready for immediate implementation as required</li> </ul>	Completed 2013-14
2. Maintain and enhance support structures for electoral representation activities	<ul style="list-style-type: none"> <li>Electoral Boundaries Commission has the necessary information to make decisions</li> <li>Local Government Minister has the necessary information and recommendations to make decisions</li> </ul>	Scheduled for 2014-2015
ENABLER: A complete, secure and accurate register of electors		
Strategic initiatives	Success indicators	Status
3. Review and improve enrolment programs	<ul style="list-style-type: none"> <li>Enrolment program targets achieved</li> </ul>	Scheduled for 2014-2015 and 2015-16
4. Review and improve enrolment systems	<ul style="list-style-type: none"> <li>Enrolment transactions captured effectively</li> <li>Enrolment systems are elector centric</li> <li>Successful security audit</li> </ul>	Scheduled for 2014-2015 and 2015-16
ENABLER: An engaged and informed community		
Strategic initiatives	Success indicators	Status
5. Identify enrolment and voting barriers and emerging trends	<ul style="list-style-type: none"> <li>Research conducted and utilised to inform service design and delivery</li> </ul>	Not yet scheduled
6. Design and implement responsive electoral education and awareness programs	<ul style="list-style-type: none"> <li>Increased community awareness of electoral matters</li> <li>Electoral engagement program targets are met *enrolment, turnout, informality rates inform success</li> </ul>	Completed 2013-14
ENABLER: Strong and effective partnerships		
Strategic initiatives	Success indicators	Status
7. Identify and engage key partners	<ul style="list-style-type: none"> <li>Partnerships contribute to the achievement of VEC objectives</li> </ul>	Scheduled for 2014-15
8. Establish robust and resilient partnering arrangements		Scheduled for 2014-15
ENABLER: Contemporary innovative services delivered effectively		
Strategic initiatives	Success indicators	Status
9. Identify, encourage and facilitate service and product improvements	<ul style="list-style-type: none"> <li>VEC services represent best practice</li> <li>VEC services respond to community requirements and expectations</li> </ul>	Not yet scheduled
10. Inform and influence stakeholder opinion	VEC views are represented at appropriate forums	Scheduled for 2015-16

# APPENDIX O

## STRATEGIC PLAN 2013-14 TO 2017-18 (continued)

### Second Strategic Intent

The VEC will have transparent and accountable governance and business support systems that reinforce and sustain organisational capacity

ENABLER: Quality business systems		
Strategic initiatives	Success indicators	Status
11. Map, document and regularly review key organisational business processes	<ul style="list-style-type: none"> <li>VEC systems are fit for purpose</li> <li>Consistent business methodologies are applied</li> <li>VEC internal and external reporting framework meets legislative and organisational requirement</li> </ul>	Commenced 2013-14 ongoing
12. Review business systems to ensure they support business processes	<ul style="list-style-type: none"> <li>Project management and corporate reporting processes are consistent across VEC</li> </ul>	Scheduled for 2015-16
13. Develop and implement a VEC project management framework	<ul style="list-style-type: none"> <li>Corporate knowledge is accessible</li> </ul>	Completed 2013-14
14. Develop and implement a VEC corporate reporting framework		Scheduled for 2014-15
15. Investigate the feasibility of VEC becoming an accredited quality organisation.		Scheduled for 2015-16
ENABLER: Effective management of resources		
Strategic initiatives	Success indicators	Status
16. Review all corporate wide assets and complete a development plan for them	<ul style="list-style-type: none"> <li>Asset plan is in place and implemented</li> <li>Assets are optimised</li> </ul>	Scheduled for 2015-16
17. Develop and implement a consistent workforce and succession planning process	<ul style="list-style-type: none"> <li>Staff levels are appropriate and flexible to needs</li> </ul>	Not yet scheduled
18. Review and implement a consistent budgeting process	<ul style="list-style-type: none"> <li>Activities are conducted on schedule and within budget</li> <li>Resource management targets are achieved</li> </ul>	Completed 2013-14
19. Minimise the negative environmental impact of VEC activities	<ul style="list-style-type: none"> <li>Environmental management targets are achieved</li> </ul>	Not yet scheduled

# APPENDIX O

## STRATEGIC PLAN 2013-14 TO 2017-18 (continued)

### Third Strategic Intent

The VEC will have a culture that fosters professional growth and development, ensures a safe, inclusive and engaging work environment and leads to high quality staff performance

ENABLER: Robust performance management and professional development		
Strategic initiatives	Success indicators	Status
20. Enhance performance and development program, processes and systems	<ul style="list-style-type: none"> <li>Performance is recognised and acknowledged</li> <li>Succession is informed by performance and development</li> <li>All performance expectations are understood, agreed and monitored on a regular basis</li> </ul>	Completed 2013-14
21. Effectively engage staff in the performance and development program	<ul style="list-style-type: none"> <li>Staff skills are appropriate to organisational needs</li> <li>Performance and development is aligned with corporate planning</li> </ul>	Scheduled for 2014-15
22. Develop and implement targeted organisation-wide training and development	<ul style="list-style-type: none"> <li>Core competency training delivered to staff where there is an identified need</li> <li>Staff satisfaction targets are met</li> </ul>	Not yet scheduled
ENABLER: A safe and inclusive working environment		
Strategic initiatives	Success indicators	Status
23. Build and foster an effective health & safety and wellbeing framework	<ul style="list-style-type: none"> <li>Compliance with OH&amp;S and Equal Opportunity requirements</li> <li>Staff satisfaction targets are met</li> </ul>	Scheduled for 2014-15
24. Support a workforce that recognises, encourages and respects diversity		Not yet scheduled
ENABLER: Effective skill, information and knowledge transfer		
Strategic initiatives	Success indicators	Status
25. Create ways to share and store information	<ul style="list-style-type: none"> <li>Key learning's from external programs are shared within the organisation</li> <li>New ways of sharing and storing information are identified and implemented</li> </ul>	Scheduled for 2014-15
26. Identify opportunities for individuals to work across and within branches and across organisations to increase skills and knowledge	<ul style="list-style-type: none"> <li>Skill and knowledge capabilities are enhanced</li> </ul>	Not yet scheduled
ENABLER: VEC operating model is fit for business		
Strategic initiatives	Success indicators	Status
27. Review current operating model and respond accordingly	VEC operating model is fit for purpose	Scheduled for 2015-16

# GLOSSARY

### Attendance election

In an attendance election most voting is conducted at voting centres on election day, although voters may vote at early voting centres or by postal vote.

### Accredited Purchasing Unit

Accredited Purchasing Units approve procurement processes up to each department's level of accreditation under delegated authority from the Victorian Government Purchasing Board.

### Ballot

A method of secret voting.

### By-election

A by-election is an election in a single-member electorate to fill a casual vacancy caused by the departure of a sitting Member of Parliament or local government councillor before the term expires. A by-election may also be held in a multi-member electorate when no unsuccessful candidates remain for a countback.

### Candidate

A candidate is an eligible elector who nominates for election.

### Community of interest

The VEC defines a community of interest as a group of people who share a range of common concerns or aspirations. A community of interest may occur where people are linked with each other geographically (e.g. a town or valley) or economically, such as where people work in similar industries (e.g. tourism) or where people work in mutually-dependant industries (e.g. fruit growers, transporters and canners).

A community of interest may also appear where people share a number of special needs because of similar circumstances (such as new immigrants who may have little English, require assistance with housing or need help finding employment).

### Compulsory enrolment

All Australian citizens 18 years and over are required by law to enrol.

### Compulsory voting

All enrolled electors must vote at State elections. With some exceptions, enrolled voters must vote at local government elections.

### Contested election

A contested election is an election where more candidates than the number of vacancies for the election have nominated by the close of nominations.

### Continuous roll update (CRU)

The CRU process consists of a range of strategies to ensure that the electoral roll is continuously kept up-to-date by using internal and external data to direct roll review activities to targeted people and residences.

### Councillor

An elected representative on a local government council.

### Countback

Method of filling extraordinary vacancies in multi-member wards and unsubdivided municipalities in electorates where general election results were obtained using the proportional representation method. The votes of the vacating councillor are transferred to the previously unelected candidates to fill the vacancy.

### District

One of the 88 Legislative Assembly electorates in Victoria. Each District elects one member and comprises approximately 41,000 electors.

### Election

The choosing of representatives by the voters.

### Election date

The date electors cast their votes.

### Election Manager

A person appointed by the Electoral Commissioner to conduct an election for an electoral District or Region.

### Electors

A person whose name appears on the register of electors and who is entitled to vote in elections.

### Electoral Commissioner

The statutory officer appointed by the Governor-in-Council with responsibility for the proper conduct of parliamentary, and statutory elections.

### Electoral Matters Committee (EMC)

The EMC comprises five Members of Parliament drawn from both Houses and is a Joint Investigatory Committee of the Parliament of Victoria. Its powers and responsibilities are determined by the *Parliamentary Committees Act 2003*. The EMC inquiries into, considers and reports to the Parliament on any proposal, matter or thing concerned with the conduct of parliamentary elections and referendums in Victoria, the conduct of elections of councillors under the *Local Government Act 1989* and the administration of, or practices associated with, the *Electoral Act 2002* and any other law relating to electoral matters.

### Electoral roll

A list of names of all the people who are entitled to vote in an election under relevant legislation.

### Electronically Assisted Voting

A method of casting a vote under legislation by electors who are blind or have low vision, are not literate in English, have a motor impairment or are located interstate or overseas.

### Enrolment

The placement of a person's name and address on the Register of Electors. A person cannot vote at an election unless they are enrolled.



# INDEX

## Enrolment information

The information about electors that is held by the VEC.

## Entitlement date

To be eligible to vote at a local government election, people must be on the State or local government voters roll 57 days before election day. This is called the “entitlement date”.

## Geo-coding

Geo-coding is the process of assigning geographic identifiers (e.g. codes or geographic coordinates expressed as latitude-longitude) to map features and other data records, such as street addresses.

## Informal voting

A ballot paper that is either left blank or is incorrectly marked. These ballot papers do not contribute to the election of a candidate.

## Legislative Assembly (Lower House)

One of the two Houses in the Victorian State Parliament. There are 88 Members of the Legislative Assembly (MLAs), one from each electoral district. The party or coalition of parties that wins majority support in this House forms the Government.

## Legislative Council (Upper House)

One of the two Houses in the Victorian State Parliament. There are 40 Members of the Legislative Council (MLCs), five from each region. The Legislative Council is often referred to as the “House of review”.

## Lost Time Injury (LTI)

An LTI is an occupational injury or illness that results in days away from work on any rostered shift subsequent to that on which the injury occurred. A fatality is also recorded as an LTI.

## Marginal costs

Marginal costs include direct labour and associated on-costs, materials, equipment, mail processing, postage, advertising, printing, rent, utilities, insurance, IT equipment and software licences purchased especially for the specific activity.

## Postal election

In an all-postal election, voting papers are posted to voters by the Returning Officer and a vote is made by completing a ballot paper and returning it to the Returning Officer in the reply-paid envelope provided.

## Preferential voting

A vote for all candidates in order of preference. If no candidate has an absolute majority of first preference votes, preferences are distributed until one candidate has an absolute majority.

## Proportional representation

A system of voting designed to elect representatives in proportion to the amount of support each has in the electorate.

## Redivision

The redrawing of electoral boundaries to ensure that there are, as near as possible, equal numbers of voters in each electorate within Victoria.

## Region

One of the eight Legislative Council electorates. Each Region comprises approximately 453,000 electors and elects five Members.

## Register of Electors

The VEC’s database of all Victorian electors.

## Registered political party (RPP)

A political party that is registered under the Electoral Act 2002. A registered party must have at least 500 members who are Victorian electors and not members of another registered political party.

## ResourceSmart Committee

Comprising a representative from each branch of the VEC and a member of the VEC Management Group, the ResourceSmart Committee oversees the implementation of the VEC’s Environmental Management Plan.

## Senior Election Official

A trained election official who may be appointed to act as an Election Manager for a parliamentary election. Senior Election Officials may also be appointed to act as Returning Officers or Deputy Returning Officers for a local government election.

## Victorian Electoral Commission (VEC)

The VEC is the independent statutory body that conducts State elections and certain statutory elections. The VEC may also conduct local government elections, commercial and community elections. The VEC also conducts boundary reviews, maintains the Victorian electoral enrolment register, conducts electoral research and provides education services.

## Voter

A person whose name appears on the register of electors and who is entitled to vote in elections.

## Voting centre

A place at which electors can vote in an election. The three types of voting centres that operate in State elections are early voting centres, mobile voting centres and election day voting centres.

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## Statistics 2009-10 to 2013-14

	2009-10	2010-11	*2011-12	2012-13	2013-14	Performance against KPI
Enrolled electors at 30 June	3,518,080	3,579,383	3,623,594	3,662,957	3,766,046	✓ 1.09% increase
Eligible electors enrolled	90.95%	92.28%	91.87%	92.68%	93.74%	✓ 1.28 percentage points above target
Enrolment updates – total	440,455	571,411	386,712	604,207	756,940	✓ 100% of enrolment updates processed within timeframe (2 percentage points above target)
Enrolment updates – from VEC initiatives	136,330	136,866	137,150	192,414	287,254	✓ 37.95% of total updates 11.40 percentage points above target (25%)
Direct enrolments	NA	5,904	36,988	112,499	246,362	✓ On target
Direct enrolments as a proportion of VEC enrolment transactions	NA	4.31%	26.97%	58.47%	85.76%	✓ On target
State elections	0	1	0	0	0	NA
State by-elections	1	1	1	2	0	NA
Local government elections	0	0	0	78	0	NA
Local government by-elections and countbacks	12	21	9	8	17	✓ Conducted within budget and in accordance with legislation. No MET applications lodged.
Statutory and fee-for-service elections	10	14	9	15	16	✓ Conducted within budget and in accordance with legislation or rules.
Electoral representation reviews	0	9	28	0	0	NA
Electoral subdivision reviews	0	0	3	0	0	NA
Staff FTE (inc. fixed term and casual)	76.5	74.6	77.9	77.0	92.6	✓ Increase largely due to 2014 State election requirements
Total expenditure	\$19.25m	\$54.59m	*\$22.52m	\$41.66m	\$24.99m	✓

\* Restated

**Feedback on this report is welcome**  
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