

# Annual Report 2015-16



**FAIR** REPRESENTATION  
FOR VICTORIA





#### LETTER OF TRANSMITTAL

The Hon. Gavin Jennings MLC  
Special Minister of State  
1 Treasury Place  
Melbourne Vic 3002

Dear Minister

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 2016 for presentation to Parliament. Also included is the Report of the Electoral Boundaries Commission for the year ending 30 June 2016.

Yours sincerely

**Warwick Gately AM**  
Electoral Commissioner

#### Victorian Electoral Commission

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Monday – Friday

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# OUR HIGHLIGHTS

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VEC Annual Report 2014–15 achieved Gold at the 2016 Australasian Reporting Awards

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Positive performance audit from the Victorian Auditor-General on the VEC's delivery of the 2014 State election

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## 42

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Successfully transitioned to electronic record keeping, information management and compliance obligations

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## 46

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

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## 48

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Representation arrangements reviewed in 18 local government councils ensuring fair and equitable representation for voters

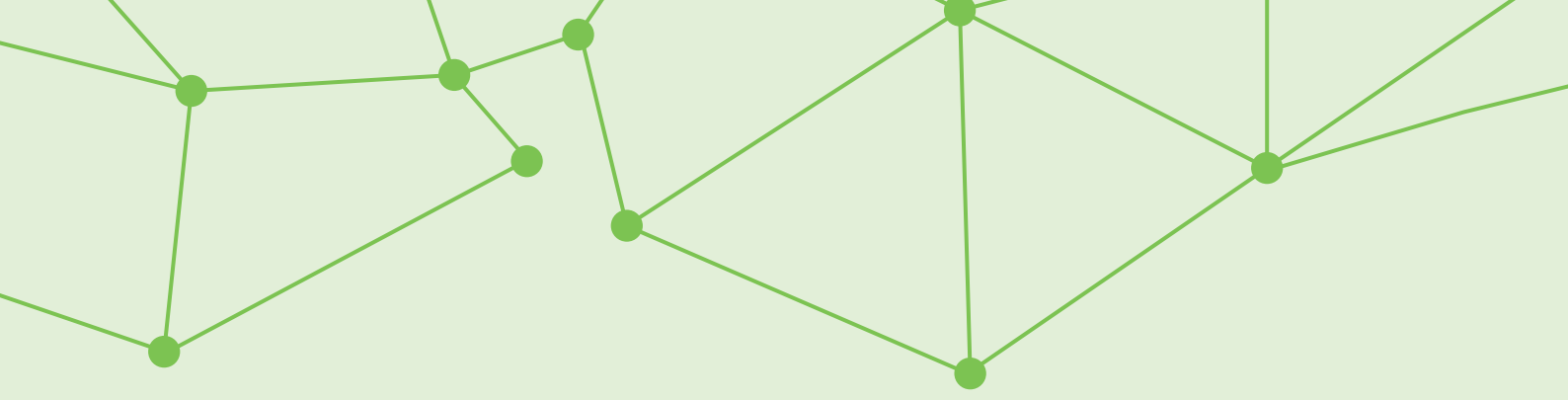
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## 63

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Successful implementation of phase two of the VEC's Democracy Ambassador Program

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**69**

Average of 4.06 training days per full time equivalent staff

**69**

Successful implementation of VECLearn the new VEC Learning

**75**

No lost time days due to workplace injury

**120**

Unqualified report of 2015-16 financial statements from Victorian Auditor-General

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# FAST FACTS

## 3 YEAR SNAPSHOT

<b>FAST FACTS</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Enrolled voters at 30 June	3,766,046	3,858,225	<b>3,941,930</b>
Voting-eligible population enrolled (estimated)	93.74%	94.76%	<b>95.4%</b>
Enrolment update – total	756,940	631,944	<b>689,662</b>
Enrolment updates – from VEC initiatives	287,254	390,015	<b>234,326</b>
Staff (FTE) at 30 June (including casual staff)	92.6	87.3	<b>92</b>
Training days per FTE	2.55	5.2	<b>4.06</b>
Lost time claims	2	0	<b>0</b>
State elections (88 District, 8 Region)	0	1(96)	<b>0</b>
State by-elections	0	1	<b>2</b>
Local government elections	0	0	<b>0</b>
Local government by-elections	7	5	<b>4</b>
Local government countbacks	10	11	<b>9</b>
Liquor licencing polls	7	6	<b>0</b>
Other statutory and fee-for-service elections	9	4	<b>7</b>
Local government representation and subdivision reviews	0	12	<b>18</b>

<b>FINANCIAL FAST FACTS</b>	<b>2013-14 (\$,000)</b>	<b>2014-15 (\$,000)</b>	<b>2015-16 (\$,000)</b>
Special appropriation	23,062	62,623	<b>25,260</b>
Total expenses from transactions	24,987	65,735	<b>24,946</b>
Net result from transactions	(1,925)	(3,112)	<b>314</b>
Net result for the period	(1,936)	(3,142)	<b>253</b>
Net cash flow from/(used in) operating activities	(1)	-	<b>18</b>
Total assets	11,520	9,953	<b>11,730</b>
Total liabilities	3,675	4,924	<b>5,457</b>

*Note: Figures should be read in conjunction with the report of operations and the notes accompanying the audited financial statements (page 82)*

## 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 (Figure 1) 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 2016.

**FIGURE 1: PERFORMANCE AGAINST BUDGETARY OBJECTIVES**

	UNIT	2015-16 BP3 TARGET	2015-16 ACTUAL	% VARIANCE
State elections, municipal and statutory elections, by-elections, polls and electoral representation reviews	number	39	40	+3%
Legal challenges to VEC conduct upheld	number	0	0	0.0%
Changes to electors details, or additions to the Victorian Electoral Register are processed within set timeframes	per cent	90	92	+2%

# 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, and

*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. The VEC also has a mandated role to conduct electoral research and provide communication and education services and to inform and engage Victorians in the democratic process. A list of legislation and regulations governing the VEC is included as Appendix B.

## 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. At times of peak activity, the VEC 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. Valued partnerships with suppliers also contribute greatly to the VEC's achievements.

To ensure inclusion and participation, the VEC works closely with a range of advisory and community groups. These groups primarily consist of representatives of under-represented communities, including:

- Aboriginal and Torres Strait Islander communities
- young people
- people experiencing homelessness
- people living with disabilities and
- culturally and linguistically diverse communities.

The VEC thanks all advisory and community group members and their organisations for their contributions to its work during 2015–16.

*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.*

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# ABOUT THIS REPORT

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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.

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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 2015–16, and the outlook for 2016–17. The coming year includes the conduct of the 2016 local government elections involving 78 councils.

Chief Financial Officer, Mr Simon Mahony, provides an overview of the VEC's financial performance.

A summary of achievement against the VEC's Strategic Initiatives is 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.

This section provides detail of the VEC's governance and organisational structures; disclosure requirements; staff profile; and the corporate systems that enable the VEC to deliver its core business and operate effectively and efficiently on a day-to-day basis.

Accountability to the Victorian public and the Parliament is critical, and the VEC's good corporate citizenship is evidenced by its performance in areas such as diversity; inclusion; accessibility; sustainability; information management; and reporting.

There was continued and focused work on Strategic Initiatives relating to service delivery, business systems and information management as outlined in the VEC's Strategic Plan.

The implementation of a full electronic records management system was identified as a priority and Phase 1 of the project—the widespread use of standard system functionality—concluded successfully. Later phases will manage data migration from various storage locations and other corporate systems.

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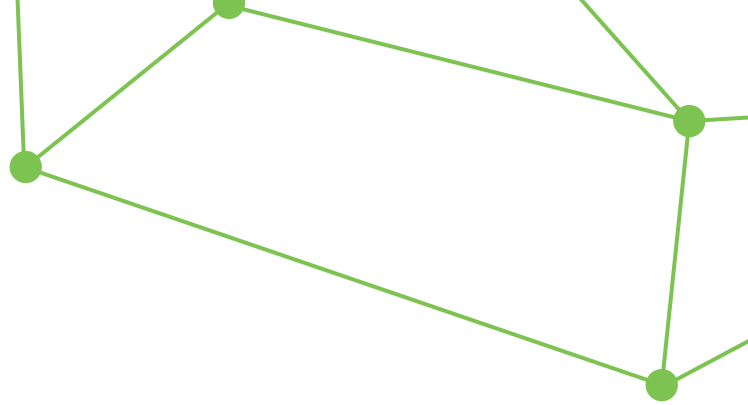
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### OUR CORE BUSINESS

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

Electoral representation reviews and sub-division reviews of councils have been completed, which constituted a significant body of work for the VEC during 2014–15 and 2015–16. The strategic focus was on enhancing support structures for the review process, to ensure the Minister was provided with recommendations and material to inform related decision-making.

Preparations for the next major cyclical event—the 2016 local government elections, and project work in support of priority strategic initiatives during 2016–17, will continue to underpin the realisation of the VEC's vision of all Victorians actively participating in their democracy.



The report outlines efforts to deliver the Strategic Plan; progress against Strategic Initiatives; a narrative of work and presentation of key results achieved by the VEC in 2015–16; and the outlook for 2016–17.

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

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## OUR STAKEHOLDERS

Along with the provision of high quality electoral services to voters, the VEC's key strategic intents include the continued accuracy, integrity and security of the enrolment register, and strong and effective partnerships with stakeholders.

This section includes details of the VEC's efforts to enrol, inform and engage electors as voters and candidates; to provide accessible voting services; and ensure electors know how to cast a formal vote.

Information relating to internal and external advisory groups is detailed in this section, along with information about key stakeholder groups such as voters, candidates, political parties and the media.

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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.

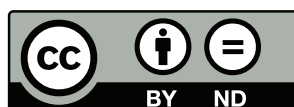
Occupational health and safety remains a priority at the VEC. This section provides the OHS performance metrics and details the 'lead' activities undertaken in 2015-16, including the review of the OHS Management System (OHSMS) and the conduct of an OHS internal audit.

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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 an unqualified report from the Auditor-General. This section provides the VEC's audited financial statements for 2015-16.

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# OUR YEAR



Local government matters dominated the Victorian Electoral Commission's (VEC's) attention this year. Commencing in February 2015, a rolling review of the representation arrangements in 24 councils was conducted, culminating in a final report into councillor numbers and the electoral structure of the Greater Geelong City Council in March 2016.

**Warwick Gately AM Electoral Commissioner**

## REPRESENTATION, PLANNING AND EXTENSIVE PERFORMANCE MEASUREMENT

Local government matters dominated the Victorian Electoral Commission's (VEC's) attention this year. Commencing in February 2015, a rolling review of the representation arrangements in 24 councils was conducted, culminating in a final report into councillor numbers and the electoral structure of the Greater Geelong City Council in March 2016. This significant programme required extensive community consultation to ensure fair and equitable representation for electors. Councillor numbers and boundaries determined during the reviews will apply at the October 2016 local government elections.

An important planning milestone for these elections was the finalisation of the Election Service Plan in December 2015; outlining the VEC's intentions with regard to the delivery of election services to 78 client councils. As the legislated election service provider, the VEC has worked closely with councils to define and agree their election requirements. In the four years since the last local government elections, operational costs have increased substantially and the VEC's challenge is to deliver compliant yet affordable elections. VEC effectiveness and that of its service partners will be closely monitored.

Parliamentary by-elections were held on 31 October 2015, in the Districts of Polwarth and South West Coast, following the resignations of sitting members. While routine activities, these by-elections presented an opportunity to trial modified early vote counting arrangements that may be able to be introduced in future State elections to address the significant increase in this form of voting. The by-elections were well conducted and turnout was encouraging.

A total of 20 other election activities were conducted during the year and included local government by-elections, countbacks and commercial elections.

Although 18 months has elapsed since the 2014 State election, this election has continued to receive attention. The VEC's Report to Parliament on the 2014 State Election was submitted to Parliament on 1 September 2015, covering all elements of the State election and services, along with a number of recommendations for consideration by Government. The VEC also appeared before the Electoral Matters Committee (EMC) in August 2015 to discuss the election. This public inquiry was finalised in October 2015 and the resulting Committee report was tabled in Parliament in May 2016. The report was positive about the VEC's performance and supportive of the recommendations; however, there were several matters raised that will require further attention.

In February, the Victorian Auditor General tabled his report following a performance audit into the VEC's delivery of the 2014 State election. The report was positive, identifying only three recommendations regarding performance indicators and other activity measures. Work has already commenced on these recommendations.

Operations and activities aside, internal arrangements for the management and control of the VEC received attention; the emphasis on risk management was strengthened in a rebadged Audit and Risk Committee; a project governance committee was formed to assess, prioritise and direct projects and developments; emergency management plans were revised, procurement processes updated; and an online learning management system established.

## FINANCIAL MANAGEMENT

The year's appropriation from Government outside of an election year was at normal levels. Improvements continued to internal financial reporting, forecasting and expenditure controls. The Internal Audit Plan was reviewed with attention shifting to areas of major organisational risk. Importantly, given the upcoming local government elections, an audit of the VEC's local government costing methodology was included.

The Audit and Risk Committee met on four occasions. Ms Elizabeth Reeves attended her final meeting as a member in December 2015, and is thanked for her important contribution. Ms Reeves is replaced by Mr David Nairn.

## ENGAGEMENT CONTINUING SUCCESSFULLY

The continuing strength of the VEC's external focus was again evident. A re-invigorated Aboriginal and Torres Strait Islander Advisory Group, along with the other three standing advisory groups, met to consider how the VEC can support each group's particular education and service needs. Also, the appointment of an Aboriginal engagement officer was instrumental in the release of a Reconciliation Action Plan while steady advances were made in the Democracy Ambassador project.

The Electoral Council of Australia and New Zealand, (ECANZ), having absorbed the separate State and Territory Electoral Commissioners body, came together on several occasions to consider electoral legislation, electoral roll matters and collaboration in operations and technology. Notwithstanding a willingness to harmonize activities, different legislation and resource capacity continues to result in unilateral approaches to the development and use of technology in elections, potentially confusing electors.

The success of the Electoral Regulation Research Network (ERRN) continued. This collaborative arrangement between the VEC, the New South Wales Electoral Commission and the University of Melbourne was expanded into Tasmania, with a new chapter forming in October 2015. This year, 14 seminars were held around Australia, along with a very successful biennial workshop in Sydney in November 2015 bringing together political scientists, election administrators and commentators to discuss contemporary election matters.

## SUCCESS IN PLANNING

The necessary disciplined approach to planning and project management continued this year. The Planning Group was reactivated – taking the lead on the October 2016 local government elections. These elections will be challenging given the expected large mail volumes, short timelines, candidate and election numbers and different voting systems involved. Project management refresher training – delivered to all Commission staff this year – will assist this work.

The Strategic Plan was further advanced over the year. A review of the VEC's many business systems commenced, with the next step being the decision on their long term utility and development requirements. In parallel, business process mapping guidelines have been produced and work continues in documenting key VEC organisational workflows. Given the many external stakeholders in the election process, guidelines around their engagement were produced to improve understanding of respective stakeholder needs and to provide for better community outcomes.

## TECHNOLOGY INTO THE FUTURE

Information and communication technology retained its importance in VEC operations. The Election Management System (EMS) redevelopment continued, with only compulsory voting, election configuration, resourcing, reporting and commercial election modules remaining to be completed. While a successful project, the ability of the VEC to solely undertake bespoke system development of this size and complexity in the future must now be considered.

The in-house development of the VEC's BoundaryMaker web application was a great success. The application provides electors with an online mapping tool to assist their contribution to the modelling of municipality ward boundaries. In addition, the VEC is developing what is believed to be a world first of its kind – an iPad application for electors with complex communication difficulties. The application will provide information on enrolling and voting and will include a communication board to facilitate interaction with election officials. It has been developed with feedback from key stakeholders and will be available for the October local government elections.

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At each election event the question of technology arises. Often, internet banking is offered as a comparator for the introduction of electronic voting. While a somewhat unsophisticated comparison, it highlights the urgent need for decisions and investment in a form of electronic voting in Victoria (and potentially wider) – meeting community expectations and satisfying security and integrity concerns. The Electoral Matters Committee's (EMC's) 2016 Inquiry into Electronic Voting provides such an opportunity. While there are no doubt attractions around internet voting, there are also risks. The guidance of the Committee in this area will be welcome. I note, however, this review will be finalised just 18 months before the 2018 State election, compressing the time available for system development, if required.

## LOOKING AHEAD

At the completion of the local government elections in October 2016, a report will be provided to the Minister for Local Government. Where necessary, it will include recommendations on legislation and process change for the future. This report may also impact the current review of the *Local Government Act 1989*.

The successful transition to electronic document records management was encouraging, with the challenge now around broader information management, including the migration of data from legacy systems into an accessible electronic form. A phased approach to this activity has been developed and an Information Manager will soon be appointed to oversee the process.

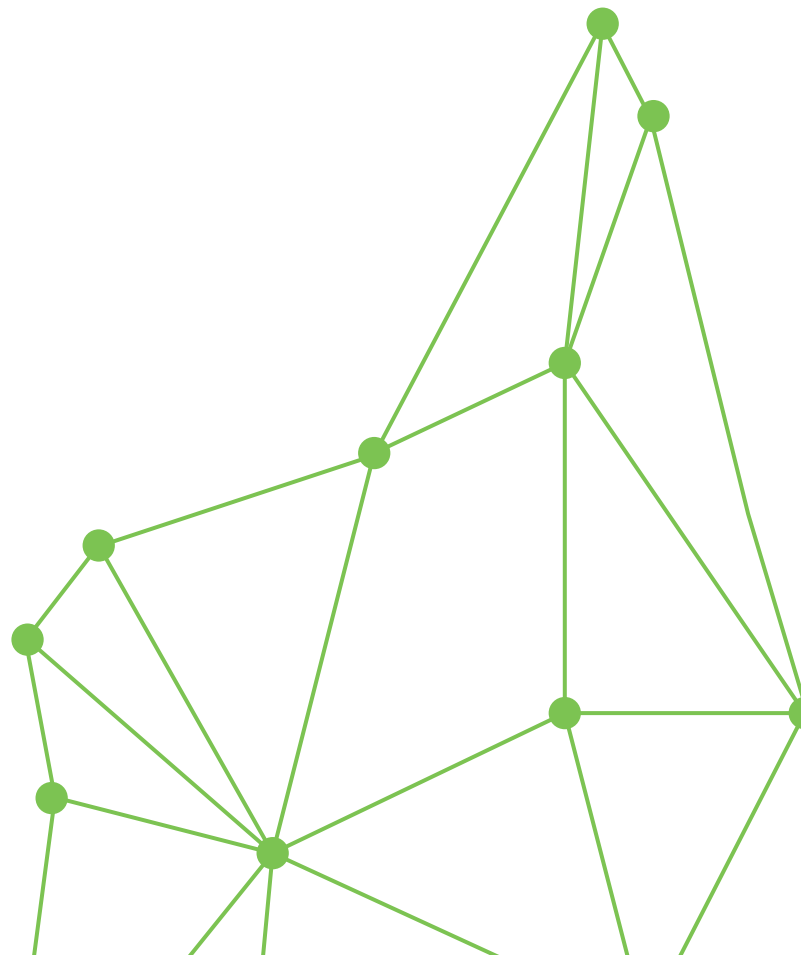
A refocussing of the Strategic Plan mid-cycle during the year was important to ensure the VEC's strategic direction remained true. Revisions ensure a clearer business focus and remove some of the ambiguity around work plans and developments.

## A VALUABLE CONTRIBUTION

Although a non-election year, this year has nonetheless proven very busy. Post 2014 State election analysis and reporting, local government representation reviews, compulsory voting enforcement, performance auditing and preparatory local government election activity have kept Commission staff active. As always, the work has been tackled with enthusiasm by committed staff who have a genuine interest in the delivery of high quality, accessible election services. My thanks to all for their hard work and dedication. The Executive Management Group is also thanked for its contribution to the leadership of the VEC and for its members' considered opinion and advice.



**Warwick Gately AM**  
Electoral Commissioner



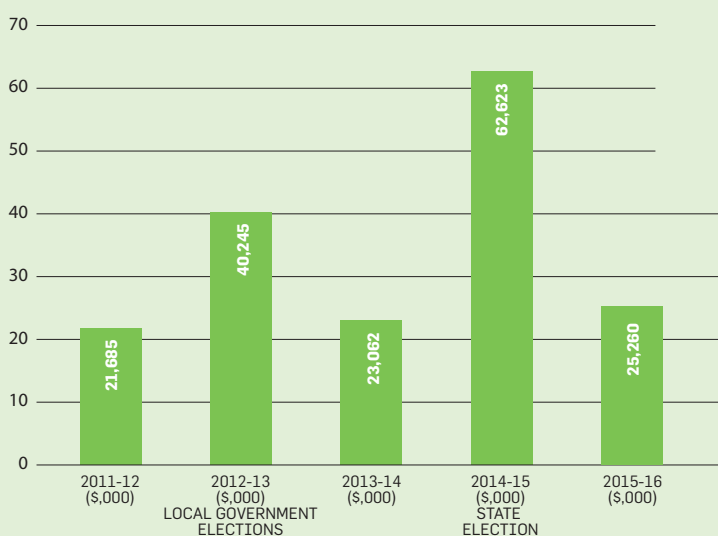
# OUR FINANCIAL YEAR

**FIGURE 2: FIVE YEAR FINANCIAL SUMMARY 2011-12 TO 2015-16**

	*2011-12 (\$,000)	2012-13 (\$,000)	2013-14 (\$,000)	2014-15 (\$,000)	2015-16 (\$,000)
Special appropriation	21,685	40,245	23,062	62,623	25,260
Total expenses from transactions	22,519	41,663	24,987	65,735	24,946
Net result from transactions	(834)	(1,418)	(1,925)	(3,112)	314
Net result for the period	(896)	(1,411)	(1,936)	(3,142)	253
Net cash flow from/(used in) operating activities	(2)	4	(1)	-	18
Total assets	9,017	10,471	11,520	9,953	11,730
Total liabilities	2,394	3,020	3,675	4,924	5,457

\*Restated

**FIGURE 3: SPECIAL APPROPRIATION (\$,000) 2011-12 TO 2015-16**



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# OUR YEAR (CONTINUED) (CONTINUED)

## REVENUE AND EXPENSES

The VEC's revenue fluctuates significantly over the four year electoral cycle (see Figures 2 and 3 on page 13). Every two years the VEC undertakes either a State election or local government elections across Victoria. The VEC is funded solely from Government Special Appropriations and this amount represents the reimbursement to the VEC for all its cash payments. In 2015-16, the VEC received \$25.26 million in appropriations, which is significantly lower than the amount of \$62.6 million the previous year; this is mainly due to the costs incurred in delivering the State election in November 2014.

In addition, the VEC administers or manages other activities and resources on behalf of State and local government, and operating income for this year was \$4 million. This is not shown in the VEC financial results (see page 13) or in the financial statements, but is declared in Note 3: Administered (non-controlled) items. This revenue collected by the VEC on behalf of the State is forwarded to the Department of Treasury and Finance as consolidated revenue. Monies received from local government election fines and forfeited candidate deposits are collected by the VEC on behalf of councils, and remitted to the appropriate council.

The VEC's expenses for 2015-16 were \$25 million, which is similar to the Special Appropriation received from government of \$25.26 million.

## CASH FLOWS

The net cash flow from/used in operating activities for the year was \$0.018 million, which is consistent with the previously very small amounts reported over the last five years. This reflects the State Government's funding model that reimburses the Commission for all of its cash payments during the year. Further, the VEC does not hold a cash reserve in its bank accounts, as it is reimbursed on a daily basis for its cash payments.

## ASSETS, LIABILITIES AND EQUITY

The VEC leases its head office and warehouse facilities and does not own any major physical assets. Its major asset is the Election Management System, which is an intangible asset. This software system has been custom-built to enable the VEC to conduct elections and has a net book value of \$5.3 million at 30 June 2016. This asset is amortised over its useful life with a proportional expense recognised each financial year.

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 its operations.



# OUR STRATEGIC PLAN

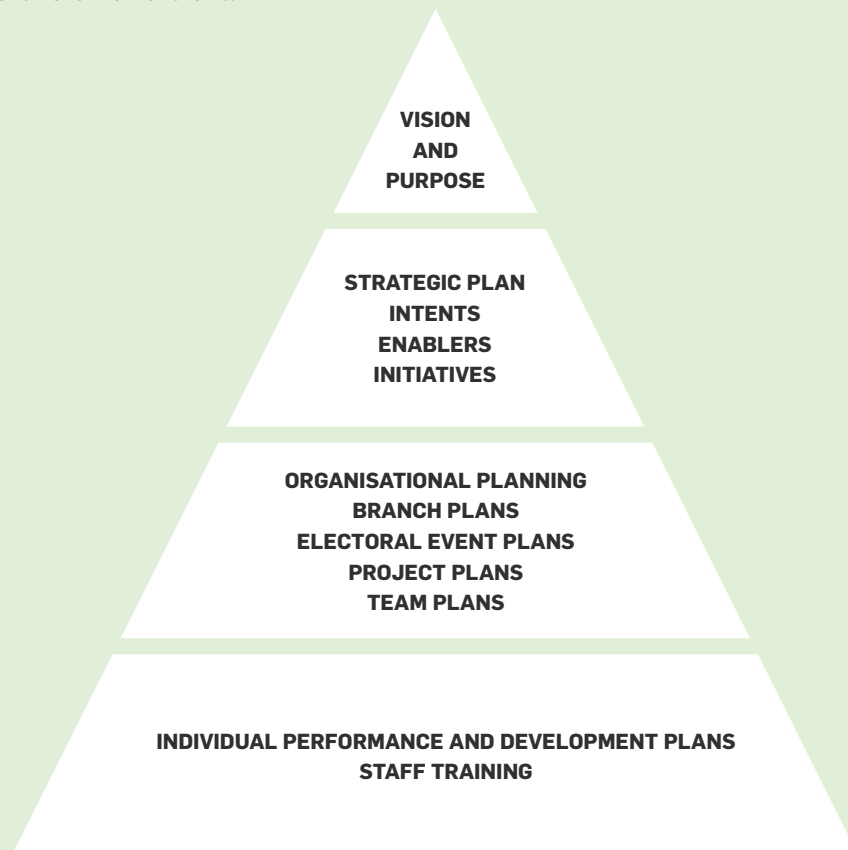
The VEC Strategic Plan 2013-14 to 2017-18 provides the basis for operations. Strategic Initiatives, organisational planning and staff training are linked to three key strategic intents and associated enablers, or conditions, that need to be in place in order for the VEC to achieve its strategic intent.

Areas of focus were identified to guide the development and prioritisation of Strategic Initiatives, enabling the VEC 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.

A review of the current Plan was conducted in May 2016, to ensure that initiatives and priorities remain relevant to the current environment. Minor adjustments were made and the revised Plan will apply out to 2017-18.

See Figure 4 for a report on the core activities and initiatives for 2015-16.



# OUR STRATEGIC INITIATIVES

FIGURE 4: REPORT ON STRATEGIC INITIATIVES 2015-16

## 02

STRATEGIC INITIATIVE

ENABLER	COMPREHENSIVE ELECTORAL EVENT PROGRAMS
<b>Core Programs/ Strategic initiative</b>	<b>02. Maintain and enhance support structures for electoral representation activities</b>
Objective	Ensure the 2015-16 Representation Review Program has appropriate planning and governance structures in place to deliver the program
Outcomes/ Benefits	Local Government Minister has the necessary information and recommendations to make decisions regarding LG representation for councils
Report 2015-16	This initiative has delivered: <ul style="list-style-type: none"> <li>• a further 18 representation and subdivision reviews</li> <li>• a formal debrief for the program including a comprehensive 'lessons learned' and</li> <li>• completion of an updated suite of representation review event planning documentation for the VEC event planning framework</li> </ul>
Outlook 2016-17	There are currently no scheduled representation activities for 2016-17

## 03 & 04

STRATEGIC INITIATIVE

ENABLER	A COMPLETE, SECURE AND ACCURATE REGISTER OF ELECTORS
<b>Core Programs/ Strategic initiative</b>	<b>03. Review and improve enrolment programs 04. Review and improve enrolment systems</b>
Objective	Continuous improvement of VEC enrolment programs to ensure eligible Victorians are enrolled accurately and able to participate in electoral events
Outcomes/ Benefits	<ul style="list-style-type: none"> <li>• Enrolment program targets achieved</li> <li>• Enrolment transactions captured effectively</li> <li>• Enrolment systems are elector-centric</li> <li>• Successful security audit</li> </ul>
Report 2015-16	These initiatives have delivered: <ul style="list-style-type: none"> <li>• the successful implementation of the new enrolment operating model within the Electoral Enrolment Branch, ensuring the ability to take advantage of system and program improvements</li> <li>• the implementation of data entry of enrolment forms from 1 September 2015, ensuring that all forms received by the VEC are processed in a timely manner and</li> <li>• ongoing consolidation, maintenance and enhancement of the roll management system. In particular there has been a focus on enhancements to support the delivery of 78 council electoral rolls in October 2016. The creation of a matching module to support councils with data quality and improvements that will reduce time and effort in the creation of final rolls</li> </ul>
Outlook 2016-17	<ul style="list-style-type: none"> <li>• Production of accurate and timely roll products for the local government elections in October 2016</li> <li>• Investigation of additional sources of data for the ongoing improvement of the direct enrolment program</li> <li>• Incorporation of these initiatives into the VEC's 'business as usual' program.</li> </ul>

# 07 & 08

## STRATEGIC INITIATIVE

ENABLER	STRONG AND EFFECTIVE PARTNERSHIPS
<b>Core Programs/ Strategic initiative</b>	<b>07. Identify and engage key partners</b> <b>08. Establish robust and resilient partnering arrangements</b>
Objective	To identify the VEC's key partners and establish guiding principles governing the engagement and management of partner relationships to ensure consistency, compliance with legislation and policies, and achievement of business objectives
Outcomes/ Benefits	<ul style="list-style-type: none"> <li>• Greater transparency of the VEC's key partners</li> <li>• Clarity around engagement and relationship management standards</li> <li>• Establishment and maintenance of strong and effective relationships</li> <li>• The achievement of VEC objectives via appropriate partnerships</li> </ul>
Report 2015-16	These initiatives have delivered: <ul style="list-style-type: none"> <li>• a review of the VEC's partnership management policy, procedure and partner register and</li> <li>• development of engagement instruments and supporting templates.</li> </ul>
Outlook 2016-17	The tools and processes delivered via these initiatives now provide a basis for their ongoing review to be integrated with business as usual activities

# 09

## STRATEGIC INITIATIVE

ENABLER	CONTEMPORARY INNOVATIVE SERVICES DELIVERED EFFECTIVELY
<b>Core Programs/ Strategic initiative</b>	<b>09. Identify, encourage and facilitate service and product improvements</b>
Objective	Bring forward and implement ideas and improvements to election-related systems, applications, services and products.
Outcomes/ Benefits	<ul style="list-style-type: none"> <li>• Electors provided with access to modern, efficient and best practice electoral services</li> <li>• Improved efficiency of VEC procedures and practices</li> </ul>
Report 2015-16	This initiative has delivered: <ul style="list-style-type: none"> <li>• the Boundary Maker Web – an interactive mapping tool to support community input to the local government electoral representation review process</li> <li>• an organisation wide online learning management system as an extension of that used for election official training and</li> <li>• recommendations for legislated change for consideration by Parliament.</li> </ul>
Outlook 2016-17	<ul style="list-style-type: none"> <li>• The VEC will contribute to the Electoral Matters Committee inquiry into electronic voting</li> <li>• The VEC will establish its electronic voting strategy for the 2018 State election</li> <li>• Development of a Products and Services strategy for the next four election events</li> <li>• An iPad app for voters with complex communication difficulties to facilitate communication with election staff in voting centres and ensure the provision of election information in various formats.</li> </ul>

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# OUR STRATEGIC INITIATIVES (CONTINUED)

## 10

### STRATEGIC INITIATIVE

ENABLER	CONTEMPORARY INNOVATIVE SERVICES DELIVERED EFFECTIVELY
<b>Core Programs/ Strategic initiative</b>	<b>10. Identify and engage relevant stakeholders</b>
Objective	To establish a framework whereby key stakeholders are identified and effectively engaged in support of the VEC achieving its vision
Outcomes/ Benefits	<ul style="list-style-type: none"> <li>Documented and consistent engagement methodology by which key VEC stakeholders will be managed</li> <li>Stakeholders aligned and supportive of VEC direction and project intentions</li> </ul>
Report 2015-16	This initiative has delivered: <ul style="list-style-type: none"> <li>a Stakeholder Engagement Framework</li> <li>reports to Parliament and the Electoral Matters Committee (EMC) on the 2014 State election and</li> <li>an Election Service Plan to 78 client councils for local government elections.</li> </ul>
Outlook 2016-17	<ul style="list-style-type: none"> <li>Submission to the EMC on electronic voting</li> <li>Report on the Local Government Representation Review Program</li> <li>Continued effective engagement with stakeholders</li> </ul>

## 11

### STRATEGIC INITIATIVE

ENABLER	QUALITY BUSINESS SYSTEMS
<b>Core Programs/ Strategic initiative</b>	<b>11. Map, document and regularly review key organisational business processes</b>
Objective	Develop a consistent methodology for process development, mapping and documentation
Outcomes/ Benefits	<ul style="list-style-type: none"> <li>The VEC will have a recognised framework for process mapping and documentation</li> <li>The VEC will be able to identify efficiencies across its core business through a consistent methodology for analysing and streamlining processes</li> </ul>
Report 2015-16	This initiative has delivered: <ul style="list-style-type: none"> <li>an agreed framework for mapping VEC processes</li> <li>an easy-to-use methodology with associated guidelines for implementation and a plan for the roll-out of the process mapping methodology.</li> </ul>
Outlook 2016-17	<ul style="list-style-type: none"> <li>The process development, mapping and documentation methodology will be rolled out across the organisation using experts in each area</li> <li>Broader implementation of the methodology to progressively update all process documentation and ensure a consistent VEC-wide approach</li> </ul>

# 12

## STRATEGIC INITIATIVE

ENABLER	QUALITY BUSINESS SYSTEMS
<b>Core Programs/ Strategic initiative</b>	<b>12. Review business systems to ensure they support business processes</b>
Objective	Provide a consolidated view of all VEC business systems and establish a road map to ensure efficiency and continuity in their support of business processes
Outcomes/ Benefits	<ul style="list-style-type: none"> <li>• VEC systems effectively support business processes</li> <li>• Opportunities for improved efficiency in the management of VEC business systems are identified and implemented</li> <li>• System ownership responsibilities are clarified</li> </ul>
Report 2015-16	This initiative has delivered: <ul style="list-style-type: none"> <li>• the establishment of a VEC business systems register and clarification of business system owner responsibilities and</li> <li>• implementation of an electronic document records management system.</li> </ul>
Outlook 2016-17	Further analysis of current business systems and development of a four year strategy

# 19

## STRATEGIC INITIATIVE

ENABLER	EFFECTIVE MANAGEMENT OF RESOURCES
<b>Core Programs/ Strategic initiative</b>	<b>19. Minimise the negative environmental impact of VEC activities</b>
Objective	<ul style="list-style-type: none"> <li>• To monitor and evaluate external social, economic and technological developments and opportunities to ensure that information is available to VEC for consideration when shaping strategic direction</li> <li>• To make recommendations to facilitate the development of a culture of sustainability at the VEC</li> </ul>
Outcomes/ Benefits	VEC staff regularly receives information regarding sustainability initiatives and activities that encourages them to consider sustainability in their work practices
Report 2015-16	This initiative has delivered: <ul style="list-style-type: none"> <li>• Greening the VEC – an activity where branches competed against each other to grow the healthiest plants, leading to a healthier environment</li> <li>• a reduction in the number of reams of paper required during an election</li> <li>• a forward 18 month plan of ResourceSmart initiatives to be introduced to VEC staff quarterly and</li> <li>• a review of the VEC's Environmental Management plan, which is currently in progress.</li> </ul>
Outlook 2016-17	<ul style="list-style-type: none"> <li>• Finalisation of the review of the VEC's Environmental Management Plan</li> <li>• Continuing implementation of ResourceSmart initiatives</li> <li>• Continued promotion of information and activities encouraging sustainability across the VEC</li> </ul>

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STRATEGIC INITIATIVE

ENABLER	CONTEMPORARY INNOVATIVE SERVICES DELIVERED EFFECTIVELY
<b>Core Programs/ Strategic initiative</b>	<b>22. Develop and implement targeted organisational-wide training and development</b>
Objective	<ul style="list-style-type: none"> <li>• To design and implement capability development programs at an organisational level</li> <li>• Facilitate in-house learning and development programs to build organisational capability to support business delivery</li> <li>• Deliver core competency training to staff where there is an identified need</li> </ul>
Outcomes/ Benefits	<ul style="list-style-type: none"> <li>• All staff have access to a variety of core skill training</li> <li>• A new Learning Management System that provides a user interface that allows self-management of development, training registration for face-to-face training sessions, E-learning and knowledge sharing</li> </ul>
Report 2015-16	This initiative has delivered: <ul style="list-style-type: none"> <li>• VECLearn, the organisation-wide learning management system and</li> <li>• core skill training, Equal Employment Opportunity E-learning and Project Management fundamentals training.</li> </ul>
Outlook 2016-17	<ul style="list-style-type: none"> <li>• Establish a catalogue of online learning courses to meet business requirements</li> <li>• Develop and implement a people management competency framework</li> </ul>

## 25 & 26

STRATEGIC INITIATIVE

ENABLER	EFFECTIVE SKILL INFORMATION AND KNOWLEDGE TRANSFER
<b>Core Programs/ Strategic initiative</b>	<b>25. Create ways to share and store information 26. Identify opportunities for individuals to work across and within branches and across organisations to increase skills and knowledge</b>
Objective	<ul style="list-style-type: none"> <li>• To increase staff awareness, knowledge and skill in relation to activities and functions of other areas of the VEC and within other organisations</li> </ul>
Outcomes/ Benefits	<ul style="list-style-type: none"> <li>• A peer learning culture is established as a key element of the VEC's Learning and professional development program</li> <li>• Opportunities are created for employees to experience different roles across the VEC fostering personal and professional development</li> </ul>
Report 2015-16	These initiatives have delivered: <ul style="list-style-type: none"> <li>• online management forums for the Executive Management and People Management teams where members share key learnings and relevant articles to support peer learning</li> <li>• the introduction of a recruitment practice that requires all fixed-term roles to be advertised as secondment opportunities</li> <li>• a Branch Exchange Program to include staff in education outreach, cultural and community activities and</li> <li>• the establishment of secondments within the VEC and VPS.</li> </ul>
Outlook 2016-17	<ul style="list-style-type: none"> <li>• Expansion of the VEC online forums, making them available to broader practice groups</li> <li>• Continued promotion and support of secondment opportunities within the VEC and VPS</li> </ul>

# OUR COMMISSION

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# 2015-16

## PRIORITY INITIATIVE

STRATEGIC INITIATIVE	12. Review business systems to ensure they support business processes
Result 2015-16	<ul style="list-style-type: none"><li>• Business system register consolidated and improved and development of ongoing strategy commenced</li><li>• Implementation of an electronic document records management system</li></ul>
Outlook 2016-17	Further analysis of current business systems and development of a 4 year strategy

## 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 2015-16

- Unqualified report from the Victorian Auditor-General evidences effective management of financial resources
- Positive report from the Victorian Auditor-General on the VEC's delivery of the 2014 State election
- All reports provided to relevant bodies on schedule and within budgets
- Implementation of an electronic document records management system
- Establishment of a project governance committee to provide centralised oversight and consistent governance arrangements for all VEC projects
- Annual Report 2014-15 achieves Gold Australasian Reporting Award

# OUTLOOK 2016-17

- Work will continue on strategic initiative 12 to ensure that business systems continue to meet the VEC's current and future business needs
- Work will continue on strategic initiative 27 to review the VEC's operating model and respond accordingly
- Implementation of an overarching information management framework
- Further development of the VEC's risk management framework
- Continue policy reviews and respond to internal and external audit recommendations



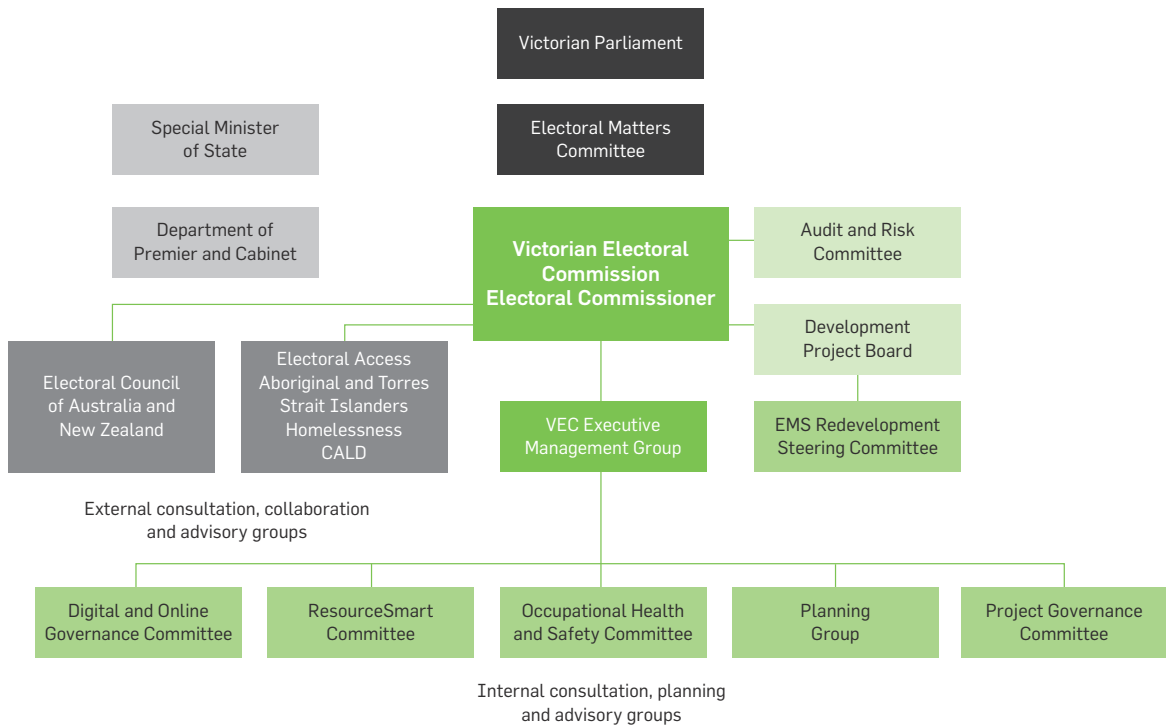
# GOVERNANCE

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 Victorian Public Sector Commission.

The VEC is an independent agency operating under the auspices of the Department of Premier and Cabinet, within the portfolio of the Special Minister of State, the Honourable Gavin Jennings MLC. The VEC is not subject to the direction or control of the Minister in respect of the performance of its responsibilities and functions, or the exercise of its powers.

The Secretary of the Department of Premier and Cabinet, Mr Chris Eccles is responsible for providing support to the Minister and Cabinet on matters relating to the VEC and is thanked for his assistance in conveying relevant information to Government. Figure 5 shows the governance and consultation structure of the VEC.

**FIGURE 5: GOVERNANCE AND CONSULTATION STRUCTURE OF THE VEC**



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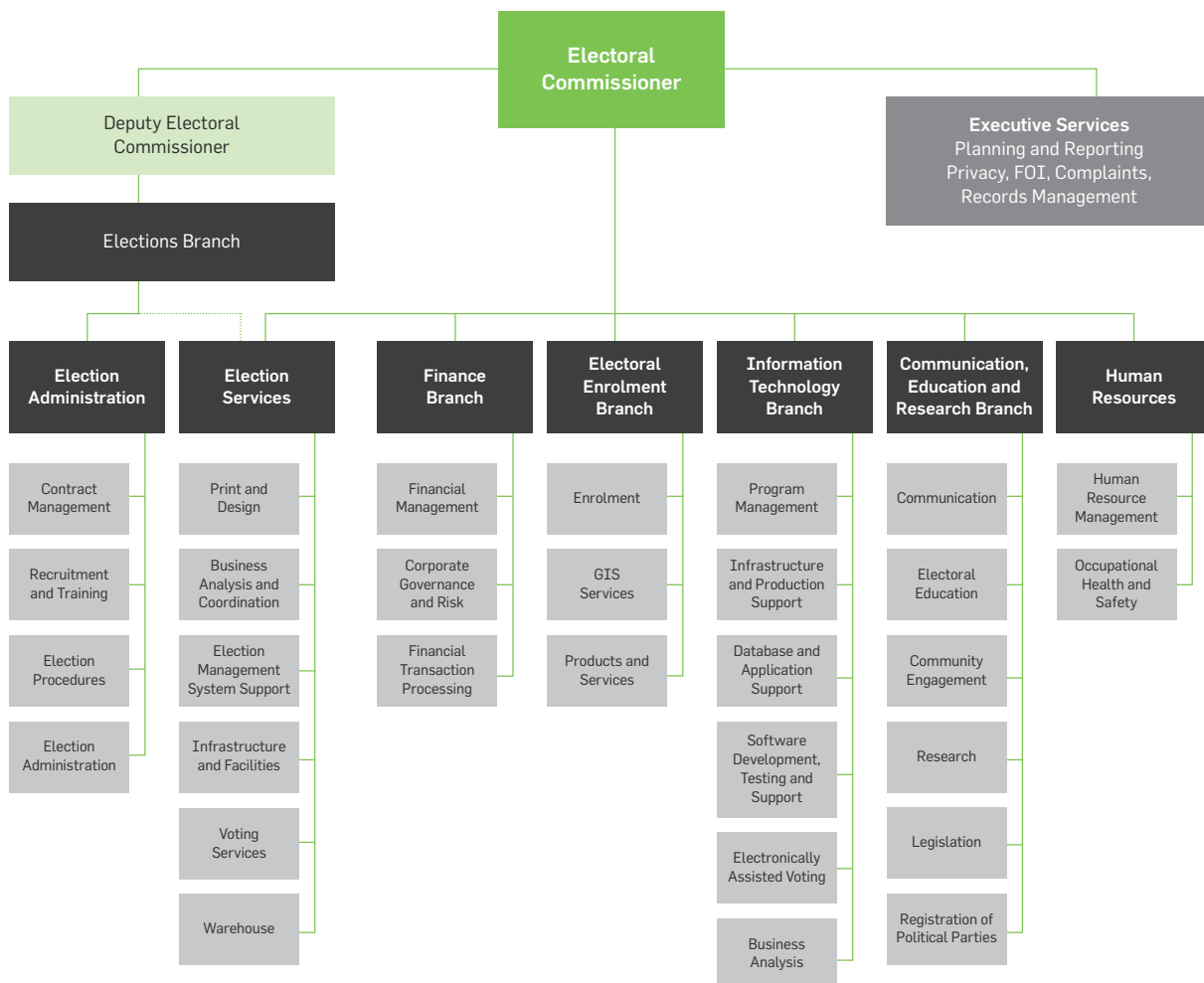
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# ORGANISATIONAL STRUCTURE

The VEC's organisational structure reflects the main activity areas of the VEC (see Figure 6).

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

**FIGURE 6: VEC ORGANISATIONAL STRUCTURE**



# STAFF PROFILE

## COMPARATIVE WORKFORCE DATA

**FIGURE 7: FULL TIME EQUIVALENT (FTE) STAFFING TRENDS AS AT 30 JUNE, 2011 TO 2016**

	ONGOING EMPLOYEES				FIXED TERM		CASUAL		TOTALS	
	NUMBER (HEAD-COUNT)	FULL TIME (HEAD-COUNT)	PART TIME (HEAD-COUNT)	FTE	NUMBER (HEAD-COUNT)	FTE	NUMBER (HEAD-COUNT)	FTE	NUMBER (HEAD-COUNT)	FTE
2016	67	59	8	64.4	25	22.8	12	5.7	112	92
2015	62	54	8	59.8	23	21.2	16	6.3	101	87.3
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

**FIGURE 8: VEC STAFF PROFILE, LAST PAY PERIOD JUNE 2016 (NOT INCLUDING STATUTORY APPOINTEES)**

	2016						2015				
	ONGOING		FIXED TERM & CASUAL		TOTAL	ONGOING		FIXED TERM & CASUAL		TOTAL	
	HEAD-COUNT	FTE	HEAD-COUNT	FTE	FTE	HEAD-COUNT	FTE	HEAD-COUNT	FTE	FTE	
<b>Gender</b>											
Male	29	28.2	13	11.3	39.5	25	25.0	14	10.0	35.0	
Female	38	36.2	23	16.3	52.5	37	34.8	25	17.5	52.3	
Total					92.0					87.3	
<b>Age</b>											
Under 25	0	0.0	2	1.4	1.4	0	0.0	2	1.1	1.1	
25-34	12	12.0	9	7.7	19.7	13	13.0	9	7.2	20.2	
35-44	15	14.4	12	8.7	23.1	13	12.5	11	5.9	18.4	
45-54	21	20.6	5	4.0	24.6	15	14.7	10	8.1	22.8	
55-64	16	14.4	6	4.6	19.0	18	16.6	6	4.9	21.5	
Over 64	3	3.0	2	1.2	4.2	3	3.0	1	0.3	3.3	
Total					92.0					87.3	
<b>Classification</b>											
STS	3	3.0	0	0.0	3.0	3	3.0			3.0	
VPS Grade1	0	0.0	2	0.5	0.5	0	0.0	2	0.5	0.5	
VPS Grade2	13	12.4	13	11.1	23.5	13	12.0	13	7.5	19.5	
VPS Grade3	15	14.8	13	8.5	23.3	12	11.8	15	11.4	23.2	
VPS Grade4	10	10.0	7	6.5	16.5	13	12.6	7	6.1	18.7	
VPS Grade5	21	19.3	1	1.0	20.3	16	15.6	1	1.0	16.6	
VPS Grade6	5	4.9	0	0.0	4.9	5	4.8	1	1.0	5.8	
Total (non-exec)					92.0					87.3	

# 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.

Following an early career with the Royal Australian Navy, Warwick joined the Western Australian Electoral Commission as the Deputy Electoral Commissioner in 2003. He was appointed as the Electoral Commissioner for Western Australia in August 2006, and reappointed in 2009 for a further five-year term.

During this time, he 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 State electoral boundary redivisions, and conducted local government elections every two years. Continuing his long-standing career in public service, now as Victorian Electoral Commissioner, Warwick is committed to the provision of effective electoral services to the Victorian community.

The Electoral Commissioner, assisted by the Deputy Commissioner, is the Chief Executive Officer of the Victorian Electoral Commission and remains responsible for all elements of the Commission's performance and compliance.



## **DEPUTY ELECTORAL COMMISSIONER LIZ WILLIAMS**

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 page 28).

Liz has significant electoral experience gained in various roles since crossing to the VEC in 1992 from a career in education. Liz was appointed Deputy Electoral Commissioner in 2005, and was reappointed for a further term in 2015. 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 EXECUTIVE MANAGEMENT GROUP



## EXECUTIVE MANAGEMENT GROUP

The Executive Management Group (EMG) comprises the Electoral Commissioner, Deputy Electoral Commissioner and the six managers leading the main activity areas of the VEC. Working cooperatively, the EMG set the Commission direction and deliver the operational, financial, workforce and other plans that underpin the efficient and effective delivery of election services to all Victorians. This is assisted through the professional mastery and experience contributed by each member. At regular intervals, the EMG consider the risks and issues facing the Commission and their management, along with staff and system performance and productivity matters and general compliance and reporting obligations. Staff well being and development remains a high priority for the EMG.

## ELECTIONS BRANCH

Elections Branch operates in two sub-branches or major areas – Election Administration and Election Services.

### ELECTION ADMINISTRATION

Managed by the Deputy Commissioner, Liz Williams (see page 26), the Election Administration area manages critical partnerships and election service agreements with Victoria's local councils, and contracts with statutory and fee-for-service clients. The team is responsible for the development and maintenance of election procedures and undertakes large-scale recruitment, training and support programs to ensure ongoing election staff capability for the VEC's temporary workforce of around 25,000 election appointees.

# THE VEC EXECUTIVE MANAGEMENT GROUP (CONTINUED)

## ELECTION SERVICES

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.

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.



### MANAGER

#### **GLEND A FRAZER**

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 contracts and large scale operations for the VEC, the VEC's remote warehouse at Tullamarine 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.

## FINANCE BRANCH

The Finance Branch ensures the VEC has an effective financial management environment including:

- financial management governance, compliance and risk
- financial management structures, systems, policies and procedures
- financial management planning, budgeting and reporting and
- financial transactions processing.



### CHIEF FINANCIAL OFFICER

#### **SIMON MAHONY**

Simon is a very experienced senior finance and business manager and is also a director on not-for-profit boards. He has been working in Victorian Government for over 15 years and his last role was as Chief Financial Officer for a large statutory authority. Prior to that Simon worked in senior finance roles with several multi-national organisations after commencing his career with a top-tiered chartered accounting firm.

Simon believes strong financial management is an essential ingredient for business success and also sees the finance function as having an ever-growing role in partnering with the business units to enable and support them to achieve their plans.

## ELECTORAL ENROLMENT BRANCH

The Electoral Enrolment Branch is responsible for maintaining an up-to-date and accurate Register of Electors. The Electoral Enrolment Branch services include:

- implementation of electoral enrolment programs
- conduct of electoral representation reviews for councils and support for electoral boundary work by the Electoral Boundaries Commission
- production of electoral rolls, other roll products and mapping data and
- 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 offering more customer-focused means of updating elector enrolment details and ensuring they are current. The Branch is also involved in managing electoral representation reviews and supporting the work of the Electoral Boundaries Commission. The Electoral Enrolment Branch employs a variety of administrative, technological, mapping and geo-spatial experts whose knowledge and skills help ensure that Victorian voters have fair and equitable representation.



### 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 and Electoral Registrar, Melanie is responsible for a wide range of activity related to the Register of Electors.

## INFORMATION TECHNOLOGY BRANCH

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

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

The Information Technology team provides hardware and software support for everyday VEC activities and provides extremely high volume support during election periods.



### MANAGER *SIMON HANCOCK*

Simon commenced at the VEC in 2000 and has managed the Information Technology Branch since 2003. Prior to working at the VEC, Simon worked for a number of IT companies providing project management and technical consultancy over a range of industry settings. Simon considers that the provision of excellent IT services is vital for the success of VEC operations.



# THE VEC EXECUTIVE MANAGEMENT GROUP (CONTINUED)

## COMMUNICATION, EDUCATION AND RESEARCH BRANCH

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

- provision of internal communication services for the VEC
- development and implementation of major public awareness campaigns for electoral events across traditional and digital channels
- development of stakeholder engagement programs relating to electoral participation and inclusion
- provision of electoral education and outreach services
- provision of advice on electoral legislation, electoral structures and strategic matters and
- provision of research services and information.



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

## HUMAN RESOURCES

The Human Resources team is focused on the ongoing review of 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.



### 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.



# INTERNAL COMMITTEES AND GROUPS

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

## DEVELOPMENT STEERING COMMITTEE

Internal oversight and governance for the VEC's development projects was provided by a Development Steering Committee (DSC). The DSC met monthly to ensure all development projects were consistent with the VEC's strategic direction and that the correct project controls were being applied – along with oversight of schedule, budget and risk. Committee members include Branch Managers, the lead Program Architect and IT Program Manager. The committee was chaired by the Deputy Electoral Commissioner. A significant program overseen by the DSC was the redevelopment of the VEC's Election Management System (EMS2).

During 2015-16, the DSC was focused on finalising critical development for the 2016 local government elections, including:

- development of EMS2 functionality to support local government election offices
- the development of software to support the preparation of ballot pack products, and
- enhancements to the VEC's online facility for candidates.

A further and significant project was the development of an interactive mapping tool to support community input to the local government electoral representation review process. Further work was also undertaken on overarching enterprise architecture and security.

Following the introduction of the Project Governance Committee in early 2016, oversight of the major EMS redevelopment program will continue to be conducted by a reconstituted EMS2 Development Steering Committee, whereas other IT-related projects will be governed by the Project Governance Committee.

In 2016-17, the EMS2 Development Steering Committee will focus on the remaining EMS functionality required to support the 2018 State election and other VEC functions.

## PROJECT GOVERNANCE COMMITTEE

After the introduction of the VEC Project Management Framework in 2014-15, the VEC moved to ensure appropriate governance structures were in place to provide robust project related decision-making and oversight. In April 2016, the VEC introduced a Project Governance Committee (PGC) to provide governance oversight to all VEC projects, including IT projects that are unrelated to the redevelopment of the VEC's Election Management System.

The PGC currently meets monthly to consider project proposals that meet certain criteria. The PGC assesses and prioritises all projects to be implemented and undertakes regular monitoring of approved projects.

## PLANNING GROUP

The Planning Group (PG) is the VEC's major cross-organisational work group that tracks and monitors the preparation and implementation of electoral events. PG is comprised of a changing complement of key team-leaders from across the organisation and is responsible for fostering intra-agency co-operation and reporting on event preparation and projects. During 2015-16, PG was chaired by the Local Government and Fee-for-Service Program Manager.

This year, the group has focused on preparation of the VEC's 2016 local government Elections Service Plan and the identification and initiation of the projects required to deliver services in line with the Plan. The Service Plan (finalised in December 2015), outlines the election services to be offered to local councils, preparation and election timelines and includes performance targets for the VEC in administering these elections.

The focus for the PG in early 2016-17 will be final preparation, implementation and evaluation of the VEC's role in delivering services for the October 2016 local government elections.

# INTERNAL COMMITTEES AND GROUPS (CONTINUED)

## OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

The Occupational Health and Safety Committee (OHSC) is a forum that facilitates cooperation and communication between the VEC's Executive Management Group and employees with respect to issues that are likely to affect the health, safety and welfare of VEC workplaces in accordance with the requirements of the *Occupational Health and Safety Act 2004*.

During 2015-16, the OHSC played a significant role in reviewing the VEC OHS Management System (OHSMS), which was launched in September 2014. The review aimed to ensure OHS policies and procedures were compliant with legislation, aligned to existing practices, and roles and responsibilities across the VEC were clarified. The OHS and Emergency Management Risk Register was reviewed, ensuring risks were rated appropriately and that all risks were being mitigated by corrective actions. The OHSC has monitored the VEC safety action plans in collaboration with Branch Managers.

The focus for 2016-17 will be ensuring the OHS audit recommendations are implemented and continuing to ensure that all staff have the information they need to work safely.

## DIGITAL AND ONLINE GOVERNANCE COMMITTEE

The VEC's main website and its overall online presence are central to the ongoing success and relevance of the organisation and to Victoria's democratic process.

In response to the need for Victorian Government Departments to have a structured approach to their online presence, the VEC established a Digital and Online Governance Committee (DOGC) during the year.

The DOGC addresses all design and development undertaken within the VEC's internal and external web environments, including websites, web applications and third party services.

The DOGC also ensures appropriate levels of governance for the VEC's digital and online assets, facilitates the development and implementation of new projects and initiatives to help meet advances in technology and community expectations, and ensures the VEC continues to set the benchmark for online accessibility of web users living with a disability.

## RESOURCE SMART COMMITTEE

The Resource Smart Committee (RSC) oversees the implementation of the VEC's Environmental Management Plan, with the aim of raising awareness of environmentally sound work practices and reducing any 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 2017-18.

During 2015-16, the RSC continued to review and update the Environmental Management Plan. In addition, the RSC undertook an 18 month forward planning activity that will be incorporated into the Environmental Management Plan.

The RSC also held a successful Greening the VEC event in late 2015, which was aimed at raising the profile of the RSC, improving the air quality of the office space at the VEC, getting staff involved in gardening at work and building team spirit and ownership of something sustainable and renewable.

The implementation of an electronic document records management system across the VEC in early 2016 will have continuing beneficial effects through the reduction in the number of items printed or photocopied, reducing paper usage and waste across the organisation.

The outlook for 2016-17 includes:

- continued support of the electronic document records management across the VEC
- a kit regarding the VEC's sustainability activities for inclusion in the new employee induction process and
- a sustainability dashboard showing paper use, logistic impact, water, power and other consumables with graphs and trends.

A report from the RSC is included as Appendix M.

# EXTERNAL ADVISORY GROUPS

The VEC is fortunate to have a number of advisory groups tasked to provide advice and insights into community issues which may impact electors' ability to participate in elections.

## ELECTORAL ACCESS ADVISORY GROUP

The Electoral Access Advisory Group (EAAG) met twice during the year. At its first meeting, members were taken through the VEC's new Disability Action Plan 2016-19. The Plan was finalised in June 2015 after feedback from members and 13 external organisations and then registered with the Australian Human Rights Commission in July 2016. Also discussed was a draft Terms of Reference document for the group – a final version of which was circulated and approved in September. Members were also advised of the content of the draft 2016 Local Government Election Service Plan – a final version of which was provided by email in October.

At the March meeting, the VEC invited a guest speaker (Ms Lynne Foreman) from the National Disability Insurance Scheme to share her experiences as a consumer of the new scheme. Members were also updated on project progress against the Disability Action Plan, in particular the approach taken to partner with Carers Victoria to get key enrolment and voting information out to those in the community caring for people with disabilities. Website accessibility user statistics were shared, as was progress on a tablet-based app for voters with complex communication difficulties (see Services for Voters for more information).

In a June survey on the effectiveness and efficiency of the Group, 15 of 16 respondents reported that they were satisfied or very satisfied with the overall effectiveness of the EAAG.

## HOMELESSNESS ADVISORY GROUP

The VEC's Homelessness Advisory Group consists of regional and metropolitan homelessness sector workers, as well as the community members. The group meets biannually.

This year the group had the opportunity to hear from the Australian Electoral Commission and Australian Bureau of Statistics regarding the Federal election and the 2016 Census program respectively, which may impact the VEC's engagement activities with people experiencing homelessness and the delivery of the homeless engagement program.

The Group provided input into possible initiatives and a targeted approach to the delivery of the homelessness program. Two possible groups were discussed – domestic violence victims and rooming houses tenants.

In a June survey on the effectiveness and efficiency of the Group, only two respondents participated but both were satisfied with the overall effectiveness of the Homelessness Advisory Group.

## ABORIGINAL AND TORRES STRAIT ISLANDER ADVISORY GROUP

The VEC's Aboriginal and Torres Strait Islander Advisory Group recommenced this year, with two meetings held. The Group consists of new members who have established links across community and government-based organisations.

The major focus of the group has been providing advice and guidance on the development of the VEC's first Reconciliation Action Plan.

In a June survey on the effectiveness and efficiency of the Group only one respondent participated and they were satisfied with the overall effectiveness of the Advisory Group.

## CULTURALLY AND LINGUISTICALLY DIVERSE ADVISORY GROUP

Members of the Culturally and Linguistically Diverse (CALD) Advisory Group met twice this year with a focus on the second phase of the Democracy Ambassador pilot project. This is a community-based project initiated by the Ethnic Communities Council of Victoria (a member of the Advisory Group and project partner).

The Group also provided support and advice on the best ways to engage CALD community groups in the 2016 local council elections, and was instrumental in promoting electoral information sessions through its networks.

In a June survey on the effectiveness and efficiency of the Group, 3 of 4 respondents reported that they were satisfied or very satisfied with the overall effectiveness of the CALD Advisory Group.

# GOVERNING LEGISLATION AND TRIBUNALS

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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*.

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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 Special Minister of State 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

The list of the VEC's functions in section 8 of the *Electoral Act 2002* was amended to refer to the VEC's expanded responsibilities in local government elections.

The *Local Government Amendment (Improved Governance) Act 2016* made significant changes to the legislation governing local government elections. The VEC was made the statutory provider for all council elections, replacing a model under which the VEC delivered election services upon engagement by each council following a procurement process. Several other amendments to the Act flowed out of this change to the VEC's position.

- The Registrar (who is responsible for the voters' roll) becomes the Electoral Commissioner or a person appointed by the Electoral Commissioner (previously the Registrar was the Council Chief Executive Officer (CEO) or a person appointed by the Electoral Commissioner), and has been given greater powers to require information from the council. The requirement to publicly exhibit the roll has been repealed.
- The Returning Officer for the election is the Electoral Commissioner or a person appointed by the Electoral Commissioner (previously the Returning Officer could be the CEO or a person appointed by the CEO).
- The Prosecution Officer, who follows up non-voters, is the Electoral Commissioner or a person appointed by the Electoral Commissioner (previously the Prosecution Officer could be the CEO or a person appointed by the CEO). Whereas previously the VEC would provide each council with a court file of outstanding non-voters following an infringements process, now the Prosecution Officer is responsible for the prosecution of non-voters in court.

The Act also enabled the Returning Officer to remove a candidate's name from a ballot paper in certain circumstances, and to apply to the Municipal Electoral Tribunal.

## MAGISTRATES' COURT

In September 2015, Mr Jason Kennedy was charged with providing false information to the VEC, contrary to section 148(1) of the *Electoral Act 2002*. Mr Kennedy was a Palmer United Party (PUP) candidate for South-Eastern Metropolitan Region in the 2014 State election. After nominations had closed for the election, the PUP identified that Mr Kennedy was not qualified to be elected, and sought unsuccessfully, through contacting the VEC and through seeking an injunction by the Supreme Court, to have his name removed from the ballot paper.

The nomination form signed by a candidate includes a declaration by the candidate that they are qualified to be elected, plus a warning that making a false declaration is an indictable offence. The VEC considered that there was a case that Mr Kennedy had provided false information on his nomination form, which led to his being charged.

In proceedings at the Melbourne Magistrates' Court on 14 June 2016 Mr Kennedy was convicted for providing false or misleading information.

## MUNICIPAL ELECTORAL TRIBUNAL

Section 45 of the *Local Government Act 1989* (LG Act) provides for a candidate, a group of ten voters, or the Returning Officer 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 2015-16.

## VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL

Section 48(2) of the *Local Government Act 1989* 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 2015-16.

Section 60 of the *Electoral Act 2002* allows any person, whose interests are affected by a reviewable decision of the VEC in relation to the registration of political parties, to apply to VCAT for review of that decision. In 2014, Mr John Mulholland applied to VCAT for review of the VEC's decisions not to recognise him as the registered officer of the Democratic Labour Party (DLP) and to agree to a slight change of the party's name. VCAT's consideration of these matters was repeatedly adjourned during 2015-16 pending the outcome of Mr Mulholland's concurrent legal proceedings against other members of the DLP. In March 2016, Mr Mulholland applied to VCAT for review of the VEC's decision to agree to a change in the DLP's registered officer. This application was adjourned to a later date and will be heard with the other two matters.

# ACCOUNTABILITY AND TRANSPARENCY

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The VEC has legislative and organisational processes in place to ensure transparency and accountability to the Victorian public. These processes 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.

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## FINANCIAL MANAGEMENT COMPLIANCE FRAMEWORK

The Financial Management Compliance Framework provides the Minister for Finance an assurance that Victorian Government entities have implemented the appropriate systems to ensure compliance with the Framework. The Framework provides 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 and Risk 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 on a two-yearly basis, self audited the year in between, and is reviewed by the Audit and Risk Committee. The VEC is fully compliant.

## AUDIT AND RISK COMMITTEE

The Committee consists of the following members:

- Mr Robert Yeo, Chairman (independent member);
- Mr David Fahey (independent member);
- Ms Elizabeth Reeves to December 2015; and
- Mr David Nairn from February 2016 (independent member)

The main responsibilities of the Committee are to monitor and oversee the:

- financial performance and the financial reporting process, including the annual financial statements
- scope of work, performance and independence of internal audit
- engagement and dismissal by management of the internal audit contractor
- scope of work, independence and performance of the external auditor
- operation and implementation of the risk management framework
- matters of accountability and internal control affecting the operations of the VEC
- effectiveness of management information systems and other systems of internal control and
- VEC's process for monitoring compliance with laws and regulations and its own code of conduct and code of financial practice.



## 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 planning and reporting processes. The risk package is audited and reviewed by the Audit and Risk 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 and Risk 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 in relation to the VEC's Election Management System (EMS) redevelopment program of works. The board ensures that correct program controls are being applied and reports progress to external government stakeholders and the VEC's Audit and Risk Committee. The DPB is chaired by the Electoral Commissioner with members from the Department of Justice's Major Procurement and Project Office and the VEC's Audit and Risk Committee.

The following people constituted the DPB during 2015-16:

- Warwick Gately AM, Electoral Commissioner – Chair
- Michael Cornelius, Director Knowledge Information and Technology Services, Department of Justice
- David Fahey, VEC Audit and Risk 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 twice during 2015-16. There was a gap between meetings while confirmation was requested and received for Michael Cornelius's continued involvement on the DPB following the VEC's changed reporting arrangements from Department of Justice to the Department of Premier and Cabinet. The VEC is appreciative of Mr Cornelius' continued involvement.

During the year, the DPB 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 realisation of benefits was considered, as were the identified project risks and associated mitigation actions.

The DPB, within the governance structure of the EMS redevelopment program, has been effective in its oversight of this complex information technology project. At this point, while the project will extend beyond its original anticipated completion date, the development is expected to deliver all system functionality within budget.

## CORPORATE PLANNING

The VEC Strategic Plan 2013-14 to 2017-18 provides the basis for operations. The Plan was reviewed this year and the strategic direction confirmed. Strategic initiatives, organisational planning and staff training are linked to three key strategic intents and 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 140 for an overview of achievements against Strategic Initiatives to date.

Developed under the authority of the Electoral Commissioner, the Plan shapes the day-to-day work of the VEC. Operational plans at branch and project levels support the strategic intents and are essential in pursuit of the VEC's vision of all Victorians actively 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 responsibilities in a fair, transparent, effective and accountable manner. The Strategic Initiatives are prioritised and in 2015-16, their planning and implementation was carried out in accordance with the schedule (Appendix O). Priority initiatives for relevant business areas have been included throughout the report.

# ACCOUNTABILITY AND TRANSPARENCY (CONTINUED)

## CORPORATE REPORTING

The VEC has a comprehensive program of stakeholder reporting 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. For example, last year's Annual Report fully complied with Department of Treasury and Finance model report requirements and also achieved a gold award at the 2016 Australasian Reporting Awards.

During 2015-16 the VEC tabled several reports before Parliament: *Victorian Electoral Commission Annual Report 2014-15*; *Victorian Electoral Commission Report on the 2014 Victorian State Election*; and *Victorian Electoral Commission Reports on the Gippsland South District By-election; the Polwarth District By-election; and the South West Coast District By-election*.

Other reporting obligations include:

- the provision of a quarterly report to the Department of Premier and Cabinet in relation to budgetary objectives
- monthly financial reporting and cash flow forecasting to the Department of Treasury and Finance
- twice yearly reporting to the Attorney-General on infringements activity
- whole of government multicultural affairs reporting
- advertising campaign reporting
- reporting for the Electoral Boundaries Commission (EBC) for whom the VEC provides secretarial services. The VEC also prepares an 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 and other reports and publications are available on the Victorian Electoral Commission website ([vec.vic.gov.au](http://vec.vic.gov.au)) and from the VEC.

## PERFORMANCE AUDIT

The VEC was subject to a performance audit by the Victorian Auditor General during the year. The audit was conducted over seven months and focussed on the 2014 State election. Particular areas of scrutiny included the VEC's election planning systems, its performance across a range of indicators, its ability to engage the voting public and provide accessible services. The audit was positive,

making three recommendations around evidence-based performance indicators covering elector participation and improvements to complaints handling. Pleasingly, the Acting Auditor General commented that in adopting these recommendations the VEC would "... continue its high standard of service to the voting public."

## CUSTOMER SERVICE CHARTER

During the year the VEC's Customer Service Charter was reviewed to ensure that it complied with best practice and was relevant to VEC operations. As a result, a revised Customer Service Charter was approved in October 2015 and is available on the VEC's website.

## 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; these complaints are forwarded to and handled by the Local Government Investigations and Compliance Inspectorate in accordance with an established protocol.

The VEC received 29 written complaints during 2015-16. Of these complaints, five related to the conduct of Members of Parliament or their respective political parties, two referred to electoral legislation and one complaint related to council representation reviews. An additional twenty complaints concerned VEC services and operations and primarily related to voting in the 2014 Victorian State election and by-elections. One complaint also concerned the LG Act and was dealt with accordingly.

All complaints were dealt with in accordance with VEC procedures and were resolved by providing an explanation, follow-up and responsive action where required. The VEC aims to respond to complaints within five working days for straight forward complaints. For 2015-16, this was achieved in just under 90% of cases, without any complaints taking more than 10 days. One complaint was not relevant to the role of the VEC and was referred on to that agency accordingly.



# DISCLOSURES

## ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Information relating to the 2015-16 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.

## ADVERTISING DISCLOSURE

Financial Reporting Direction 22D issued by the Australian Accounting Standards Board 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 2015-16.

## ATTESTATION TO PUBLIC SECTOR STANDARDS COMMISSIONER

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

## BUILDING ACT 1993

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

## CONSULTANCIES AND CONTRACTS

### 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 2016.

No contracts greater than \$10 million in value were entered into by the VEC during 2015-16.

### CONSULTANCY EXPENDITURE

#### DETAILS OF CONSULTANCIES UNDER \$10,000

In 2015-16, there were four consultancies engaged during the year, where the total fees payable to the individual consultants was less than \$10,000. The total expenditure incurred during 2015-16 in relation to these consultancies was \$25,516 (excluding GST).

#### DETAILS OF CONSULTANCIES (VALUED \$10,000 OR GREATER)

In 2015-16, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015-16 in relation to these consultancies is \$26,441 (excluding GST). Details of individual consultancies are outlined below.

Consultant		TOTAL APPROVED PROJECT FEE (EX GST)	EXPENDITURE 2015/16 (EX GST)	FUTURE EXPENDITURE (EX GST)
Jeremy Wood	Electoral Representation Reviews	16,241	16,241	nil
Roberts Brown Pty Ltd	Development of a Program Logic and Evaluation Framework	10,200	10,200	nil

OUR YEAR

OUR COMMISSION

OUR CORE BUSINESS

OUR STAKEHOLDERS

OUR PEOPLE

FINANCIAL STATEMENTS

APPENDICES

# DISCLOSURES (CONTINUED)

## 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.

The VEC's Electoral Access Advisory Group (EAAG) were provided with a report on the VEC's performance against every action item due for attention in the 2015-16 year.

Out of 25 action items for completion 2015-16, 23 were completed, one was carried over into the next year and one was agreed to be abandoned.

## 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.

## 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.

## 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 2015-16 is included as Appendix M.

## EXECUTIVE OFFICER DISCLOSURES

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*.

## 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 were reminded of their obligations under the FOI Act. This was reinforced during all staff electronic records training this year with an emphasis on registration, retention and storage of documents. No Freedom of Information applications were received by the VEC in 2015-16. A number of requests for information were received from individuals however, these requests did not fall under Freedom of Information, and the information was provided outside that process. For information about how to lodge an application under the FOI Act see the Victorian Electoral Commission website ([vec.vic.gov.au](http://vec.vic.gov.au)) or Appendix E.

## 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 2015-16, the VEC provided grants totalling \$248,961.50 to 5 organisations (see Figure 9).

## 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 is 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 2015-16, there were no lost days arising from injuries. For more on human resource management at the VEC, including performance against OHS management measures, see the Our People section of this report.

## 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.

In response to an earlier internal audit into records management processes at the VEC and an identified need to modernize record keeping practices, an Electronic Records Management Viability Project was commenced in May 2015, with the view to implementing full electronic records management during 2015-16. On 1 February 2016, following extensive training and system configuration, the changeover to electronic records occurred. Staff have embraced the change to work practices and all that remains is the need to review and migrate data from legacy systems into an accessible electronic form.

**FIGURE 9: GRANTS TO EXTERNAL BODIES, 2015-16**

ORGANISATION	PURPOSE OF GRANT	AMOUNT (EXC GST)
Tigers in Community Foundation (TICF)	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. Final calendar year of current three year sponsorship.  *Amount is artificially inflated as TICF invoiced one payment of \$56,650 ex GST outside of the relevant contract period. Total invoiced amount for this period was \$114,984.50 ex GST.	*\$171,634.50
Victorian School Representative Council	Sponsorship for two calendar years (01/01/2016-31/12/2017) to enable delivery of teacher professional development sessions to support Passport to Democracy Program.	\$5,000
Electoral Regulation Research Network (ERRN)	Ongoing support of ERRN to foster exchange and discussion of research relating to electoral regulation.	\$50,000
YMCA Youth Parliament	Sponsoring an indigenous youth team to participate in Youth Parliament.	\$3,954
Inclusion Melbourne	Sponsorship of research into barriers preventing people with cognitive impairments from enrolling and voting.	\$18,373

# DISCLOSURES (CONTINUED)

## 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 the management of personal information comply with the *Privacy and Data Protection Act 2014* and are set out in its Privacy Policy, which is available on the Victorian Electoral Commission website ([vec.vic.gov.au](http://vec.vic.gov.au)) or at the VEC.

During 2015-16, the VEC Privacy Awareness Officer attended meetings with the Office for the Commissioner for Privacy and Data Protection on a regular basis and relevant information was disseminated to staff. Privacy awareness activity continued during 2015-16 to help ensure that VEC personnel 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 and implemented throughout 2015-16.

Two complaints were received by the VEC in relation to alleged breaches of information privacy during 2015-16. One complaint concerned the conduct of the Australian Electoral Commission and was forwarded to that organisation. The second complaint related to the joint roll arrangement between the VEC and the AEC and was resolved through explanation of the relevant privacy and electoral legislation. Each year, the VEC receives and responds to a number of queries relating to the release of information to certain people and organisations, as authorised by legislation.

## 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.

## 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.

## PECUNIARY INTEREST DECLARATIONS

The Electoral Commissioner completed a declaration of pecuniary interests as required.



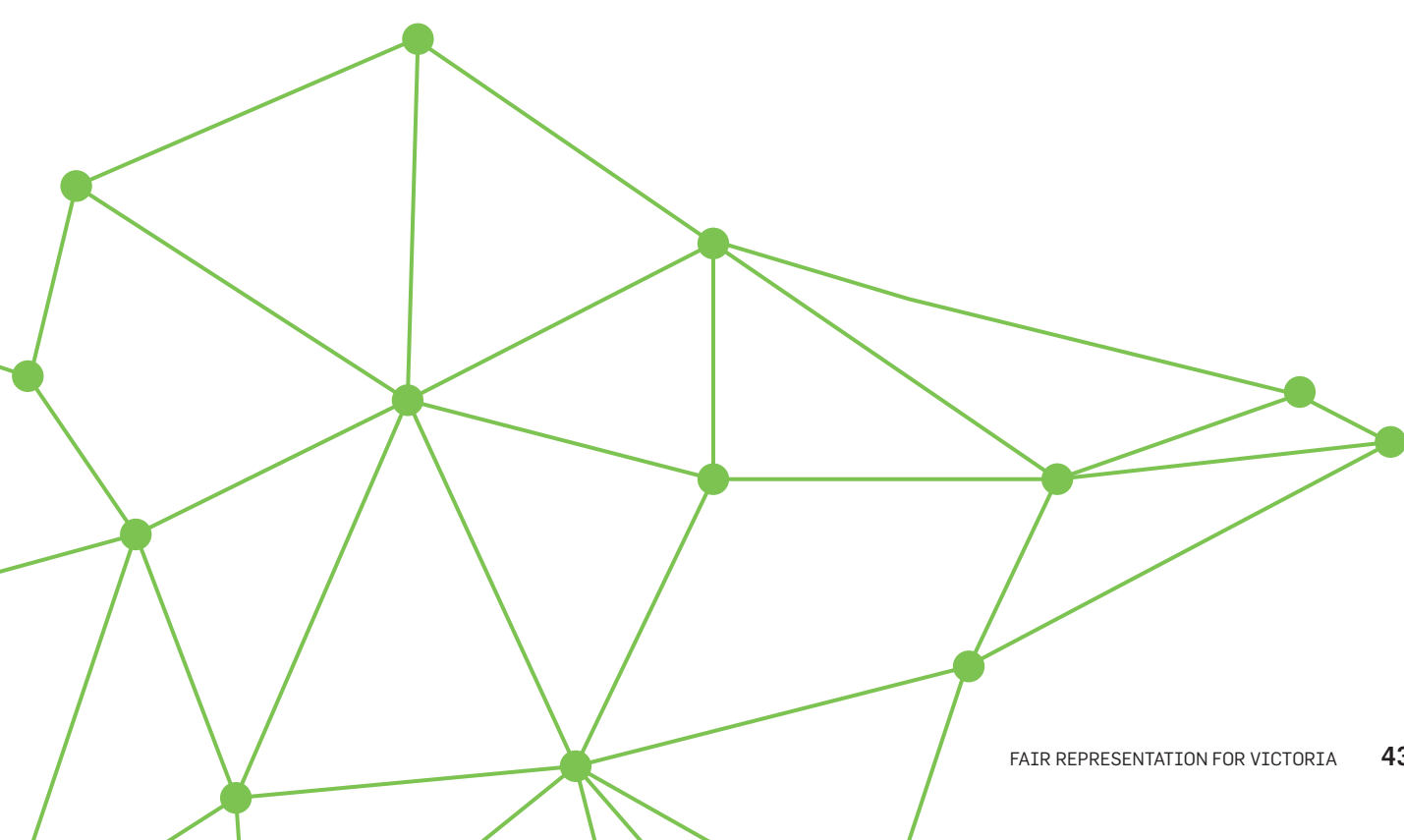
## PROTECTED DISCLOSURE ACT 2012

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 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 2015-16. For details about reporting procedures under the PDA see Appendix D.

## VICTORIAN INDUSTRY PARTICIPATION POLICY

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPPP). Departments and public bodies are required to apply VIPPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. No contracts to which the VIPPP applies were commenced or completed by the VEC during 2015-16.



# OUR CORE BUSINESS

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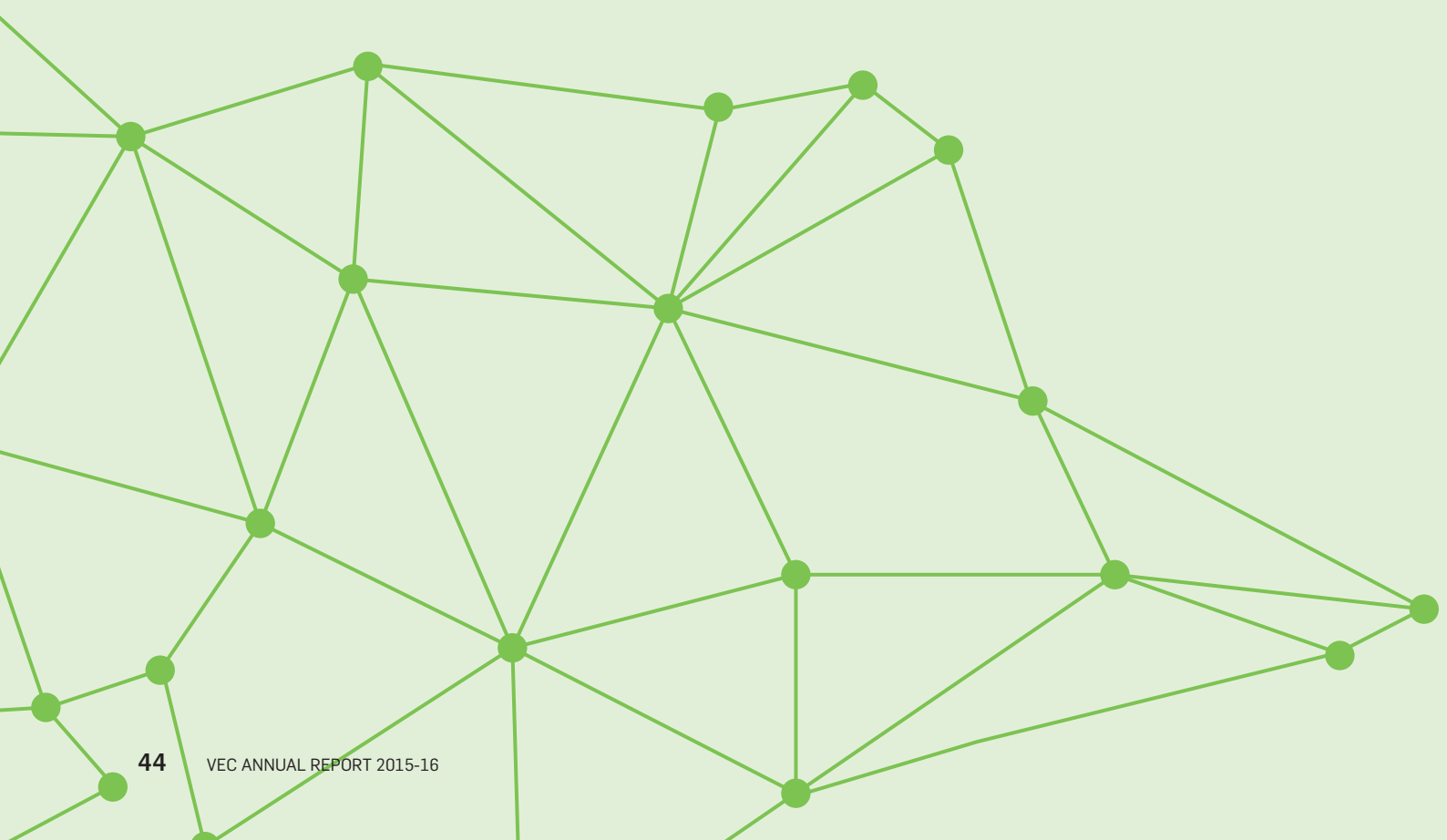
ELECTORAL ACTIVITY

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WAREHOUSE

**53**

RESEARCH AND DEVELOPMENT



# 2015-16

## PRIORITY INITIATIVE

STRATEGIC INITIATIVE	1. Maintain an effective set of electoral event plans
Result 2015-16	<ul style="list-style-type: none"> <li>Annual review of Electoral Event Planning Framework completed</li> <li>Local government election planning documentation reviewed and updated to align with the VEC's project management framework for the 2016 local government election program</li> </ul>
Outlook 2016-17	Ongoing review of framework and planning documentation

## STRATEGIC INTENT

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

## ENABLERS

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

## ACHIEVEMENTS 2015-16

- Conduct of 18 representation and subdivision reviews for local councils
- Interactive mapping tool developed to support community input into the local government electoral representation review process
- 22 elections, by-elections, countbacks and polls conducted on schedule, within budget and in accordance with legislation, regulations, rules and guidelines
- Conduct of State by-elections for the districts of Polwarth and South-West Coast achieving targets for counting and return of the Writs
- Election Service Plan finalised for the 2016 local government elections in consultation with the sector and election service level agreements established with 78 councils
- Annual review of electoral event planning framework completed

# OUTLOOK 2016-17

- Conduct of elections and compulsory voting services for 78 Council elections in October 2016 and completion of evaluation program
- Local government election offices operating on redeveloped election management and personnel systems
- Further work on Strategic Initiative 9 with the development of a product and services strategy for the next four electoral events
- Continue material and staff support to the Electoral Regulation Research Network
- Preparations for 2018 State election to commence
- Research project on direct enrolment activities and attitudes

# ELECTORAL ACTIVITY

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The VEC conducted 40 electoral events during 2015-16 including two State District by-elections, four local government (council) by-elections, nine council countbacks and seven commercial elections, by-elections and polls. All events were conducted on schedule and within budget, with none failed or overturned.

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Plans for electoral events that have been conducted were reviewed, evaluated and modified where necessary.

## 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. Two State by-elections were conducted during 2015-16 on exactly the same timeline after the resignations of the Hon Terry Mulder, MP, the member for Polwarth District and the Hon. Denis Napthine, MP, the member for South-West Coast District.

## POLWARTH AND SOUTH-WEST COAST BY-ELECTIONS

Following the resignations on 3 September 2015 of the members for Polwarth and South-West Coast, writs were issued on 17 September for by-elections to be held on 31 October 2015. The roll closed on 24 September with 43,856 electors enrolled for Polwarth District and 45,331 for South-West Coast.

At the close of nominations, eight candidates had nominated for Polwarth, including one independent candidate and candidates endorsed by the Australian Christians, Australian Country Party, Australian Greens, Australian Sex Party, Democratic Labour Party, Liberal Party and The Nationals.

In South-West Coast District, 11 candidates had nominated by the close of nominations, including five independent candidates and candidates endorsed by The Animal Justice Party, Australian Christians, Australian Country Party, Australian Greens, Liberal Party and The Nationals.

The turnout rate of 86.18% for Polwarth District was lower than the turnout rate of 94.88% in the 2014 State election. However, the turnout rate for this by-election was higher than the average turnout of 79.80% for the five preceding State by-elections.

The informality rate of 5.16% for Polwarth, with eight candidates, was an increase on the informality rate of 3.89% for Polwarth District with four candidates at the 2014 State election. Yet the informality rate was lower than the average informality rate of 9.06% for the five preceding State by-elections.

The turnout rate of 91.09% for South-West Coast was slightly lower than the turnout rate of 94.93% in the 2014 State election. However the turnout rate for this by-election was higher than the average turnout of 79.80% for the five preceding State by-elections.

The informality rate of 6.24% for South-West Coast, with eleven candidates, was an increase on the informality rate of 4.04% for South-West Coast District with six candidates at the 2014 State election. Yet the informality rate was lower than the average informality rate of 9.06% for the five preceding State by-elections.

Reports on the conduct of the two by-elections were tabled in Parliament on 24 May 2016.



**FIGURE 10: ELECTORAL ACTIVITY, 2011-12 TO 2015-16**

TYPE OF ACTIVITY	2011-12	2012-13	2013-14	2014-15	2015-16
State elections (88 Districts 8 Regions)	0	0	0	1	0
State by-elections	1	2	0	1	2
Local government (council) elections	0	78	0	0	0
Local government (council) by-elections	3	1	7	5	4
Local government countbacks	6	7	10	11	9
Liquor licencing polls	2	5	7	6	0
Commercial elections, by-elections and polls	7	10	9	4	7
Representation reviews	28	0	0	12	12
Subdivision reviews	3	0	0	0	6
Total	50	103	33	40	40

### 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 electors, the existence of formal election rules, and election timing.

During 2015-16, the VEC conducted seven commercial elections, by-elections and polls. All were conducted in accordance with their relevant rules or legislation and were delivered on time and within budget.

### LOCAL GOVERNMENT BY-ELECTIONS AND COUNTBACKS

During 2015-16, the VEC conducted four council by-elections and nine countbacks to fill 13 extraordinary vacancies that occurred leading into or during the year. Extraordinary vacancies are not required to be filled if they occur within six months of a general election, so councils were able to carry vacancies from 22 April 2016, although Monash City Council resolved to fill two vacancies that occurred within the six month period, prompting countbacks. Details of the by-election and countbacks conducted during 2015-16 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 more than in 2011-12, which is the previous reporting year comparable to this stage of the local government term, when three by-elections and six countbacks were held.

The average cost per voter for the local government by-elections was \$7.29 (including GST). 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 2015-16, all countbacks were held locally within the municipality using the VEC's web-based computer countback application. The average cost of a countback held in 2015-16 was \$2,726 (including GST). 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 48 hour period prescribed in the *Local Government Act 1989*. There was one further countback during 2015-16.

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.

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# ELECTORAL ACTIVITY (CONTINUED)

## ELECTORAL REPRESENTATION REVIEWS

One of the VEC's functions under the *Local Government Act 1989* is to conduct electoral representation and subdivision reviews. All councils in Victoria are subject to regular electoral representation reviews prior to every third general election, approximately every 12 years, or earlier at the request of the Minister for Local Government.

A regular electoral representation review helps maintain fair and equitable representation for the voters within each council by considering the electoral structure of the council and its number of councillors. The VEC has been conducting these reviews since 2004 and has developed principles using the criteria set by the *Local Government Act 1989*, as well as international best practice for boundary delimitation. While electoral representation reviews have more variables, many of the principles utilised in reviews also apply to State redivisions under the *Electoral Boundaries Commission Act 1982*.

During 2015-16, the VEC conducted 12 electoral representation reviews, which completed the schedule of 24 electoral representation reviews that were required to be completed between October 2014 and the next local government elections in October 2016.

The councils reviewed during 2015-16 were:

- Ballarat City Council
- Bass Coast Shire Council
- Baw Baw Shire Council
- Corangamite Shire Council
- Gannawarra Shire Council
- Greater Geelong City Council
- Melton City Council
- Mildura Rural City Council
- Warrnambool City Council
- Wellington Shire Council
- Yarra Ranges Shire Council and
- Yarriambiack Shire Council.

Electoral representation reviews follow the process prescribed by the *Local Government Act 1989* (outlined in Figure 11). The review process included rigorous modelling at each stage of the review using purpose-built electoral boundary software, inputs from the Australian Census and population forecasts provided by a company specialising in demography and urban planning. Public consultation was an invaluable part of each review, with multiple stages of public submissions and an opportunity for further discussion at the public hearing. The VEC considered all evidence, including public submissions, when determining the preliminary option(s) and final recommendation for each review. The Electoral Commissioner was advised by a panel of VEC officers with expertise in electoral boundaries, local government administration and governance, and public policy and research.

Kay Rundle, Michael Ulbrick and Jeremy Wood were also appointed as consultants to the electoral representation review panel and provided independent advice from their extensive experience in local government matters. Ms Rundle, Mr Ulbrick, and Mr Wood are all highly respected former Chief Executive Officers and senior officers at local councils in Australia and within Victoria.

Final reports for electoral representation reviews conducted in 2015-16 are available on the Victorian Electoral Commission website ([vec.vic.gov.au](http://vec.vic.gov.au)) or from the VEC.

The Minister for Local Government approved the VEC's recommendations for 10 of the 12 reviews conducted in 2015-16.

- Soon after the release of the final report for the review of Greater Geelong City Council in March, the Council was dismissed, an administrator was appointed and the next general election for the Council was deferred to October 2017.
- In April, the VEC was notified that the Minister for Local Government was to make an order for Yarra Ranges Shire Council consistent with one of the options included in the VEC's preliminary report earlier in the review rather than the final recommendation.

The VEC is now preparing its comprehensive report on the electoral representation reviews completed during 2014-15 and 2015-16, which will be released in due course.

**FIGURE 11: THE ELECTORAL REPRESENTATION REVIEW PROCESS**

Commencement	The VEC conducts research and prepares material for the public.
Public notification	A notice detailing the process for the review and specifying the timeline for making a submission is published in local media. A <i>Guide for Submissions</i> is available on the Victorian Electoral Commission website ( <a href="http://vec.vic.gov.au">vec.vic.gov.au</a> ) and from the VEC.
Public information session	One or more information sessions on the review process is held within the municipality. Those interested in making a submission are advised to attend.
Preliminary submissions (Closes four weeks after review commences)	Opportunity for the public to submit their views and local knowledge about issues relevant to the review.
Release of preliminary report	Based on the VEC's research, including information presented by the public, the VEC models a series of options for the electoral structure of the municipality. The model or models that best fit the aim of ensuring voters have fair and equitable representation are presented and explained in the preliminary report. Copies of the preliminary report are made available on the Victorian Electoral Commission website ( <a href="http://vec.vic.gov.au">vec.vic.gov.au</a> ), from the VEC and can be inspected at the offices of the council under review.
Response submissions (Close four weeks after release of preliminary report)	Any person or group may make a submission in response to the VEC's preliminary report.
Public hearing	A public hearing is held within the municipality for submitters who request to be heard in person to discuss their submission. Where no submitters request to speak, the public hearing is not held.
Release of final report	After considering submissions in response to the preliminary report and information provided at the public hearing, the VEC prepares a final report making a recommendation as to the electoral structure to the Minister for Local Government. Copies of the final report are made available on the Victorian Electoral Commission website ( <a href="http://vec.vic.gov.au">vec.vic.gov.au</a> ), from the VEC and can be inspected at the offices of the council under review.
Minister's determination	The Minister for Local Government considers the VEC's recommendation and makes a determination, which will take effect at the council's next general election.

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# ELECTORAL ACTIVITY (CONTINUED)

## GEOGRAPHIC INFORMATION SYSTEMS

The GIS team provided support to the Representation Review Program by providing projected growth analysis and boundary modelling to determine viable structures and boundaries for each council. BoundaryMaker, the internally developed software, was enhanced to accommodate additional functionality for the GIS modelling team.

## IMPROVING PUBLIC CONSULTATION

The VEC is continuing to explore opportunities to engage broader communities in electoral representation reviews. During the electoral representation review of Greater Geelong City Council, which commenced in November 2015, the VEC piloted an online interactive mapping tool allowing submitters to prepare and map their preferred number of councillors, electoral boundaries and electoral structure as part of their preliminary submission to the review. The tool, BoundaryMaker Web or BMWeb, was developed to allow users to monitor the statistical viability of their model in real time. BMWeb was developed internally by VEC staff and will be available for a wider range of council reviews during future electoral representation review programs.

## SUBDIVISION REVIEWS

The VEC regularly monitors enrolments in local councils across Victoria and from time to time, identifies a council that contains wards that are moving outside of the enrolment tolerance permitted by the *Local Government Act 1989*.

If the council is not subject to a scheduled electoral representation review prior to its next general election, the Minister for Local Government is able to require the VEC to conduct a subdivision review of the council to identify and recommend ward boundaries to bring all wards within the enrolment tolerance. A subdivision review cannot consider the number of councillors and only one subdivision review can be required in between scheduled electoral representation reviews. If a further subdivision review is required for a council, the Minister for Local Government must order a full electoral representation review.

During 2015-16, the VEC conducted six subdivision reviews. The subdivision review process was similar to electoral representation reviews, but commenced with the release of proposed boundaries in the preliminary reports for each review. Public submissions were invited, with an opportunity for submitters to request to speak at a public hearing scheduled for each review. Public consultation was an important contributor to the VEC reaching its recommendations. A recommendation was included in a final report to the Minister for Local Government for each subdivision review.

All final reports for subdivision reviews conducted in 2015-16 are available on the Victorian Electoral Commission website ([vec.vic.gov.au](http://vec.vic.gov.au)) or from the VEC.

## PREPARING FOR THE 2016 LOCAL GOVERNMENT ELECTIONS

The VEC commenced planning for the October 2016 local government elections shortly after completing the 2014 State election; a draft Election Service Plan for the local government sector was released in September 2015. The draft plan formed the basis for a series of consultation sessions held across the State with council officers in October 2015, before the final Election Service Plan was released in December 2015. The Plan was positively received by the sector.

## CHANGES TO LEGISLATION

The VEC has a long history of providing electoral solutions to Victoria's local government sector and has been the only electoral service provider for council elections in Victoria since 2003. The *Local Government Amendment (Improved Governance) Act 2015* amended the *Local Government Act 1989* to enhance conduct requirements for council and councillors and to strengthen the integrity of local government elections. One of the electoral arrangements introduced in 2015 was to prescribe the VEC as the election service provider for council elections. The *Electoral Act 2002* was also amended to provide local government elections as a key function of the VEC.

In response to its new statutory function, the VEC has concentrated on developing its partnerships with local councils in the lead up to the 2016 local government elections. The VEC has engaged directly with Local Government Victoria, the Local Government Investigations and Compliance Inspectorate, and peak body organisations to discuss State-wide election planning.

Other changes to legislation have also impacted the 2016 local government election program, including the passage of the *Local Government (Greater Geelong City Council) Act 2016* and the drafting timeline for the new Local Government (Electoral) Regulations 2016.

## COSTING EXPECTATIONS

The VEC operates a marginal cost recovery program to invoice for reasonable expenses from the conduct of local government elections. At the consultation sessions in October 2015, the VEC identified a number of areas where significant cost increases were anticipated when compared with the previous local government general elections in 2012. More specific details were provided to each council through an estimate of costs for their election in December 2015.

In January and February 2016, VEC officers engaged directly with contacts at each of Victoria's 79 local councils to refine the parameters from the December 2015 election cost estimate. As a result, the VEC prepared an electoral service agreement for each council (in March 2016) that included a formal quotation for their 2016 election. The electoral service agreements formally establish the electoral arrangements required under the *Local Government Act 1989* for councils' 2016-20 terms.

On a state-wide basis, the VEC anticipates recovering nearly \$29.2m (including GST) for the conduct of the 2016 local government elections, including \$25.2m (including GST) within the 2016-17 financial year. Modelling is based on a set number of variables, including anticipated enrolment, numbers of candidates, and turnout, as well as parameters determined in consultation with council staff. Costs are not adjusted to include revenue from infringements and prosecutions for failing to vote at the 2016 local government elections, which will be collected by the VEC and wholly remitted to councils.

## PLANNED INITIATIVES FOR THE 2016 LOCAL GOVERNMENT ELECTIONS

The VEC's local government election program was prepared on the principles of providing a local focus for election services and keeping costs to a minimum. These principles are in addition to the VEC's constant focus on building and maintaining integrity within the electoral process, including in respect to local government elections.

The election service plan, published in December 2015, was prepared in consultation with the local government sector, and provides details on each element of the planning and formal election timelines. The plan highlights several initiatives that are new to the local government program, including increased assurance measures for ballot paper security, a move to single office service delivery for all councils, continuing the online enrolment facility for State electors, improved security for the exchange of roll information between councils and the VEC, and an increased awareness of the possible need for sharing computer count venues among a number of councils.

In order to evaluate the overall success of the 2016 local government election program, the VEC also prepared a series of 14 performance targets for reporting upon conclusion of the program. These targets range from aspirational measures to enhance voter participation to more operational measures, such as the roll accuracy, results reconciliation, and outreach services.

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# WAREHOUSE

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Warehousing and distribution facilities play a key role in supporting the core business of the VEC and ensure a high level of operational readiness is maintained. As the VEC prepares to enter another election cycle, the focus of warehouse operations is on preparation and planning.

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Activities that were completed by staff at the VEC warehouse during 2015-16 included:

- receipt and storage of resources with long production lead times such as ballot paper stock, envelopes and cardboard products (approximately 2000 pallets)
- annual stock take of approximately 750 products
- inspection and maintenance of over 1,750 electrical items including electrical safety checks and the 'test and tag' of cables
- preparation and picking of resources for 78 election offices
- creation of 500 voting centre kits and 110 election office stationery kits
- secure destruction of over 500 election records and transfer of permanent records to the Public Records Office Victoria, and
- creation of Passport to Democracy orders for the Education Team and despatch to schools throughout Victoria on a weekly basis.

The outlook for 2016-17 is largely focused on the 2016 local government elections. Warehouse activity will increase significantly as preparation and planning transitions into implementation. As the election comes to a close, warehouse activity peaks again to ensure equipment, furniture supplies, office equipment and election records are checked, audited and safely rehoused, prior to returning to 'business as usual' activities.

# RESEARCH AND DEVELOPMENT

Research and development activity to support core business is conducted on an ongoing basis across the VEC. A research policy and plan guides the conduct of research relating to service delivery and participation in the electoral process across a range of stakeholder groups.

Research and development is carried out to ensure administrative and technological systems and services are innovative and meet the needs of internal and external stakeholders.

## 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 hosted a total of eight seminars in Victoria and many others interstate, covering topics including early voting; electronic voting; fairness and equality in the drawing of electoral boundaries; and changes to the Senate voting system. An ERRN workshop in Sydney on 5-6 November 2015 dealt with a wide range of matters, with the opening address by the Australian Electoral Commissioner, Mr Tom Rogers, focussing on electoral integrity. There were two editions of the ERRN newsletter.

Two research projects were completed in September 2015 – one on enhancing local government democracy and the City of Melbourne, and the other on the challenge of informed voting. ERRN has called for tenders for two more research projects. These projects utilise the complementary skills of academics and electoral commission staff.

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# 2015-16

## PRIORITY INITIATIVES

STRATEGIC INITIATIVE	8. Establish robust and resilient partnering arrangements (Phase 3)
Result 2015-16	• Partnerships contribute to the achievement of VEC objectives
Outlook 2016-17	The ongoing review of tools and procedures delivered via this initiative will be integrated into business as usual activities  Implementation of a new Community Education Strategy, focussing on identification of program partners
STRATEGIC INITIATIVE	10. Identify and engage relevant stakeholders
Result 2015-16	• Stakeholder engagement framework established
Outlook 2016-17	Contribution to the Electoral Matters Committee inquiry into electronic voting

## STRATEGIC INTENT

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

## ENABLERS

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

## ACHIEVEMENTS 2015-16

- Strong partnerships established with the VEC's local government stakeholders in advance of the 2016 local government elections
- Reports to Parliament and the Electoral Matters Committee on the conduct of the 2014 State election and the 2015 Polwarth and South-West Coast by-elections tabled
- New Community Education Strategy and Monitoring and Evaluation Framework developed
- Vic Election Alerts system implemented

# OUTLOOK 2016-17

- New concept for online engagement to be developed
- Delivery and evaluation of an iPad app for voters with complex communication needs to support inclusion and participation
- Reports on the local government Representation Review Program and 2016 local government elections to be delivered
- Contribution to Electoral Matters Committee Inquiry into electronic voting
- Identification of strategic partnerships to facilitate community education and engagement activities
- Automated management of political party processes

# REGISTER OF ELECTORS

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When it comes to enrolment data, key objectives for the VEC are to maintain the accuracy and security of the Register of Electors; to increase the proportion of eligible electors enrolled year-on-year; 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.

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## ENROLMENT

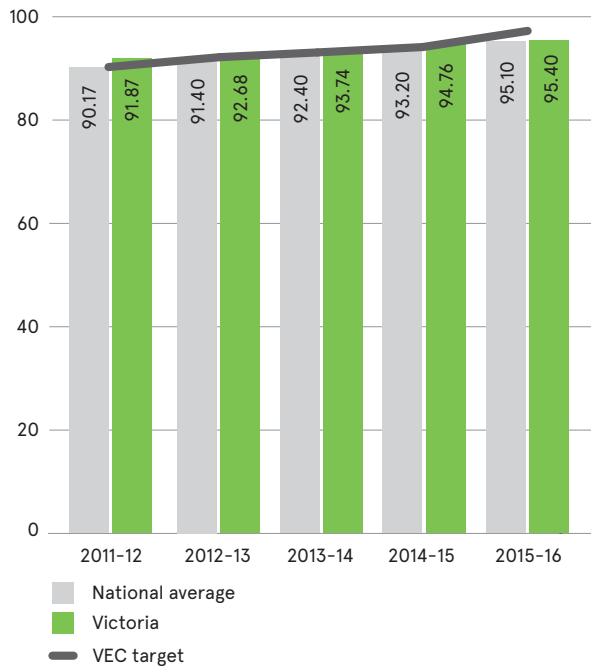
The number of Victorians enrolled to vote increased by 89,705 to 3,941,930 (2.3%) in 2015-16. Using available data, it is estimated that 95.4% of eligible electors are enrolled. This is an increase of 0.6% from 2014-15. This is slightly more than the national figure of 95.1%. The VEC sets a target for enrolment to be at least 1% higher than the national average, however as a result of the 2016 Federal Election, and associated national enrolment campaigns the VEC enrolment rate was 0.3% higher (see Figure 12).

## ENROLMENT PROGRAMS

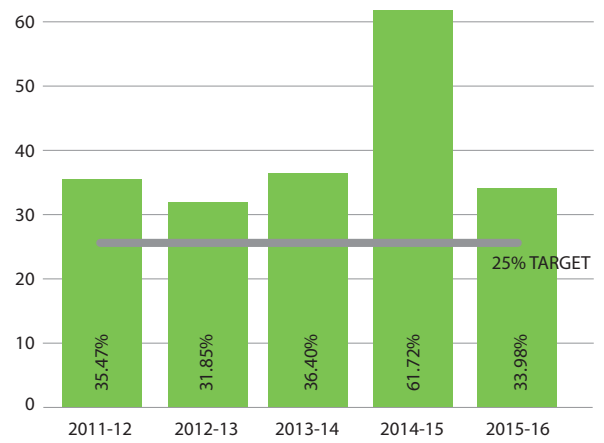
To maintain the accuracy of the Register of Electors on an ongoing basis, the VEC has a range of strategic programs to help Victorians enrol or update their enrolment. The VEC undertakes regular direct enrolment of electors, using change of address data sourced primarily from Vic Roads. Direct enrolment remains the most effective way of maintaining an accurate Register of Electors.

More broadly, the VEC continues to work with the Australian Electoral Commission (AEC) under the Joint Roll Arrangement, to maintain a joint enrolment process; this remains a significant input to the maintenance of the Register of Electors. In addition, electors can enrol or update their enrolment online and enrolment forms are available year round on the VEC website, at local council offices and post offices.

**FIGURE 12: PROPORTION OF VOTER ELIGIBLE POPULATION ENROLLED AT 30 JUNE 2012-2016**



**FIGURE 13: PROPORTION OF ENROLMENT UPDATES SOURCED FROM VEC PROGRAMS, 2011-12 TO 2015-16**



# REGISTER OF ELECTORS (CONTINUED)

## 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.

## MANDATORY PROVISION OF ENROLMENT INFORMATION

The *Electoral Act 2002* stipulates several requirements with regard to electoral information to be made available.

1. 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.
2. 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.
3. 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 2015-16. Under section 21 of the *Local Government Act 1989*, enrolment information is provided to 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.

One application was refused due to concerns about the applicant organisation's governance structure, privacy policy and capacity to comply with privacy and data protection requirements. A further application received during 2014-15 which had been awaiting consideration by the Commissioner for Privacy and Data Protection (CPDP) has been approved.

During 2015-16, the VEC received four requests for access to enrolment information from individuals or organisations. Of these, one application was refused and three applications are continuing to be assessed with further information requested.

The introduction of the *Privacy and Data Protection Act 2014*, the adoption of 'Privacy by Design' by CPDP and the release of the draft Victorian Protective Data Security Standards have impacted the privacy and data security standards that must be demonstrated by applicant organisations. This has resulted in some delay in the processing of applications. In response to these revised standards, the VEC initiated a review of the electoral enrolment application process. This review has identified a number of measures which may enhance the privacy, data security and efficiency of applications and which will continue to be assessed during 2016-17.

A total of 7,303 individual searches were undertaken by Victoria Police under an approved, secure protocol established in 2005. Enrolment information was provided to four organisations under agreements subject to section 34 of the Act (see Figure 14).

**FIGURE 14: INFORMATION PROVIDED TO ORGANISATIONS UNDER SECTION 34, 2015-16**

ORGANISATION	LOOK UPS REQUESTED	UNSUCCESSFUL SEARCHES	INFORMATION PROVIDED
Anglicare	6	2	4
FIND	95	16	79
State Trustees	2	0	2
IBAC	2	1	1

# ENFORCEMENT OF COMPULSORY VOTING

After the conduct of elections, by-elections and polls in which voting is compulsory, the VEC implements compulsory voting enforcement. In order to conduct compulsory voting follow-up, the Electoral Commissioner appoints a VEC staff member as the prosecution officer.

The electoral provisions of the *Local Government Amendment (Improved Governance) Act 2015* came into operation on 1 March 2016. The Act provides the VEC with statutory responsibility to conduct elections and polls under the *Local Government Act 1989*, and expands the provisions relating to non-voter follow-up for local council elections to include prosecution of non-voters in the Infringements Court.

The first stage of the non-voter follow-up process is conducted under Part 9, Division 2 of the *Electoral Act 2002* or section 40 of the *Local Government Act 1989*. Subsequent follow-up of electors who do not respond to, or who provide an invalid response is conducted under the *Infringements Act 2006*.

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

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.
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 \$76.00). Non-voters have 42 days to respond to the Infringement Notice by making the penalty payment or seeking a review of the infringement. Consideration is also given to written correspondence detailing reasons for failing to vote.
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 (currently set at \$24.50). Non-voters have 42 days to respond to the Penalty Reminder Notice by making the penalty payment or seeking a review of the infringement.

At the conclusion of compulsory voting enforcement, a final non-voter file is lodged with the Infringements Court for further action. Following the three notice stages of enforcement for the 2014 State election, 82,782 outstanding non-voter records were lodged with the Infringements Court on 18 September 2015. During the first half of 2016 the VEC attended to 66 non-voter matters in the Magistrate's Court that were as a result of the non-voter electing to go directly to court. Most matters have now been resolved.

**FIGURE 15: COMPULSORY VOTING ENFORCEMENT, 2014 VICTORIAN STATE ELECTION**

Total voters enrolled	3,806,301
Total voted	3,540,140
Electors who did not vote	266,161
Apparent Failure to vote notices sent	199,555
Infringement notices sent	126,238
Penalty Reminder notices to be sent	98,154
Final Infringements Court lodgement	82,782

In 2015-16, the VEC concluded non-voter follow-up for five local government by-elections, two liquor licensing polls, one State by-election and the 2014 State election. Enforcement of compulsory voting commenced for two State by-elections and four local government by-elections. All are due to be finalised early in the 2016-17 financial year.

Where non-voter follow-up was conducted on behalf of a municipal council, the VEC provided the council with a final non-voter list and an Infringements Court file, upon completion of stage three of the process. The council could make a decision about further follow-up. In 2015-16, the VEC commenced enforcement of compulsory voting for two councils following local government by-elections. The VEC also concluded non-voter follow-up for six local council by-elections.

Penalties collected for State elections and by-elections and liquor licensing polls are transferred to consolidated revenue.

Appendix G provides details of all apparent non-voter follow-up and compulsory voting enforcement conducted during 2015-16.

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# SERVICES FOR VOTERS

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The VEC provides a wide range of information, resources and education outreach to ensure inclusion of all electors in Victoria's democracy. There is also, necessarily, a special focus on communities typically under-represented within the electoral system, such as Aboriginal and Torres Strait Islanders, young people, those experiencing homelessness, those from culturally and linguistically diverse communities and those living with a disability.

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## COMMUNITY INFORMATION KITS

A major focus over the second half of the year has been the preparations for the 2016 local government elections. During the election periods (e.g. three months before the election), the VEC delivers voting information sessions to community members. The purpose of these sessions is to increase the community's understanding of when and how to vote. To raise awareness of this service to the community, the VEC produced a Community Information Kit.

The Kit was distributed digitally and physically in May to 1,400 community organisations, such as language centres, disability organisations, libraries and ethnic organisations. As part of the Kit, the VEC produced a community-based poster raising awareness of the local government elections. The poster was focus-tested with CALD members whose input determined the final design. The poster is available in 10 languages.

The Kit contained: an introductory letter; a poster; Easy English guides; several enrolment forms; a resource order form; a copy of a PowerPoint presentation; and links to videos and other resources that community members can access.

## VIC ELECTION ALERTS

To take the worry out of voters needing to remember how and when to vote in the local government elections, the VEC launched Vic Election Alerts just prior to the end of the financial year. This new online service is a personal text message/email reminder service. Anyone can sign up to receive text messages or emails about the upcoming election events in Victoria, such as the local government elections in October 2016.

Subscribers will receive up to five messages during the election period about enrolment and voting.

## DISABILITY ACTION PLAN

During the year, the VEC worked with members of its Electoral Access Advisory Group (EAAG) on the implementation of the VEC's Disability Action Plan 2016-2019. Progress throughout the year included the development of Terms of Reference for the Advisory Group and a number of initiatives listed below:

### CARERS PROGRAM

Through a partnership with Carers Victoria, the VEC has developed a face-to-face training session for carers of people with disabilities. Through two focus groups, carers had the opportunity to provide input in the development of the session content. The session focuses on the importance of voting in council elections, ways people with a disability can vote, and advice as to how carers can assist. The online resources, which accompany the session content, can be accessed through the Carers Victoria website.

### VOTERS VOICE APP FOR VOTERS WITH SPECIAL NEEDS

In March 2016 the VEC commenced development of an iPad app for people with complex communication needs; it will be piloted for the attendance elections at the 2016 local government elections.

The iPad app has been designed to assist voters who:

- have complex communication difficulties (primary audience)
- speak Auslan (secondary audience) or
- have literacy issues (secondary audience).

The app contains a communication board with text-to-speech functionality for use in the voting centre. Also included is information on enrolling and voting in Easy English and plain English, and short videos on how to use the app and voting for the first time. An Auslan instructional video on voting in Victorian elections can also be streamed from the app. The app will be available for download in the iTunes store from early August 2016.

## EASY ENGLISH GUIDES

The Easy English Guides for the 2016 local government elections were revised and published on the VEC website in May. The set consists of three publications:

- Vote in Local Council Postal Elections
- Vote in Local Council Attendance Elections
- Vote in Melbourne City Council Postal Elections.

One disability agency invited the VEC to co-present its work on the development of Easy English guides as a case of best practice at the Australasian Society for Intellectual Disability in November 2015.

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# SERVICES FOR CANDIDATES AND POLITICAL PARTIES

## 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 and
- public funding for parties that attain a specified level of first preference votes.

A list of registered political parties at 30 June 2016 is included as Appendix I.

## REVIEW OF REGISTERED POLITICAL PARTIES

Section 52 of the Act requires the VEC to review the registration of a political party as soon as possible after an election if the party obtains an average of less than 4% of the first-preference votes over all electorates contested by the party. Seventeen registered parties failed to reach the 4% threshold in the 2014 State election, and were therefore due for review by the VEC.

The VEC completed the review by November 2015. Thirteen parties retained their registration, and four parties were de-registered: the Palmer United Party de-registered voluntarily; Voice for the West failed to respond to the VEC's binding request to provide information; and the Family First Party Victoria Inc. and The Basics Rock'n'Roll Party were de-registered because the VEC was not satisfied that they had at least 500 eligible members.

## PARTY NAMES

Registered political parties may apply to change their name. The process is similar to that for an application for registration; the VEC advertises the application for a name change, and then considers any objections and replies to those objections. A party's name is a vital part of its identity, and applications for name changes are often controversial.

On 23 June 2015 the VEC received an application from the Australian Country Alliance to change its name to Australian Country Party. The National Party of Australia (The Nationals) objected to the application on the grounds that:

- the Nationals were called the Country Party until 1975
- the Nationals were still linked with the name "Country Party" in the minds of many Victorians
- the Australian Country Alliance were trying to take advantage of the goodwill associated with the "Country Party" name, and
- the application would cause confusion if it succeeded.

The Liberal Party opposed the change of name as likely to cause confusion among voters. The Australian Country Alliance replied on 13 August 2015, disagreeing with the objections. On 17 August 2015 the VEC approved the application. Section 47 of the Act, which prohibits confusingly similar names, relates only to currently registered political parties, not to former names of parties. As no other registered party included the word "Country" in its name, there was no reason to reject the Australian Country Alliance's application.

On 3 August 2015 (the same day as its objection to the Australian Country Alliance's application), the National Party of Australia – Victoria applied to change its name to National Country Party of Australia – Victoria. The VEC received an objection on 1 September 2015 from the newly registered Australian Country Party, followed by a reply by The Nationals to that objection, but then had to defer consideration of the matter during the Polwarth District and South-West Coast District by-elections. On 16 December 2015, the VEC rejected The Nationals' application, because the proposed name of the party so nearly resembled that of another registered party (the Australian Country Party) that it was likely to be confused with or mistaken for that name, and so could not be accepted under section 47(e) of the Act.

In dealing with these applications, the VEC followed the provisions of the Act relating to similar names. Although the two applications overlapped in time, the VEC considered each of them individually, in the light of the situation existing at the time of its decision.



# COMMUNITY EDUCATION AND ENGAGEMENT

This year the focus has been on continuing to engage with the community through provision of electoral information and education sessions, whilst expanding the current program of activities for all communities.

The VEC offered specialised and tailored support presenting 210 activities to over 5,481 participants across Victoria. A special focus has been given to building the capacity of community sector workers and teachers in assisting to spread the message about the importance of participation in elections.

## ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITIES

Engagement of the Aboriginal and Torres Strait Islander community recommenced with the employment of an Aboriginal Community Officer in late 2015. To the end of the reporting period, 23 engagement activities were conducted across regional and metropolitan areas. The VEC participated in the Koorie Youth Council and Koorie Expo events to encourage electoral participation of the Aboriginal and Torres Strait Islander communities.

## CULTURALLY AND LINGUISTICALLY DIVERSE COMMUNITIES

The VEC's Democracy Ambassador pilot project continued throughout 2015-16. In this period, the project focused on increasing active citizenship skills of the Horn of Africa (Eritrea, Somalia and Ethiopia), Sudan and South Sudan community leaders. Two workshops were held in November 2015.

In addition, through a partnership with Leadership Victoria, the VEC was able to deliver two electoral education workshops – the first to CALD female leaders – and the second a leadership course for African community leaders. These sessions focussed on understanding preferential voting and how to cast a formal vote.

Electoral information sessions for CALD community groups continued. A total of 2,085 CALD community members took part in the 93 information sessions during the year. Post-session evaluation indicated that on average 99% of participants understand that voting is compulsory, 98% understand how to vote correctly, and 93% are aware of the fact that voting assistance is available for people who have low English language literacy.

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# COMMUNITY EDUCATION AND ENGAGEMENT (CONTINUED)

## HOMELESS NOT VOTELESS

The VEC's *Homeless not Voteless Program* aims to ensure that everyone has access to the electoral system, regardless of their current living situation. The focus of the Program has been to provide ongoing enrolment sessions through community-based organisations. In addition, several community worker information sessions were held across regional and metropolitan areas. The sessions focused on informing workers of the 'no fixed address' enrolment classification.

## PASSPORT TO DEMOCRACY

The *Passport to Democracy Program* continues to engage students by linking the issues young people care about to the democratic process in Victoria. Since teaching and learning resources have been made available online, 138 schools have downloaded teacher lesson plans. In-class support for the delivery of the Program was requested by 27 schools, during which the VEC facilitated the participation of 1,111 students in a classroom mock-election on student selected issues. Due to the demand from primary school teachers, the delivery of the Passport to Democracy program has been extended to primary schools, especially in Years 5 and 6.

As part of a continuous improvement program, new resources have been published online for students undertaking the Victorian Certificate of Applied Learning. The *Partner Up* resource focuses on developing students' knowledge and skill in forming community partnerships through which a positive impact is made on an issue in the community. By taking action on issues in the community, students learn that having a voice is important and that one method of taking action is by voting in elections.

The VEC delivered citizenship-based teacher professional development through the Civics and Citizenship Network, the Victorian Applied Learning Association and the Geography Teacher Association, with a view to extending citizenship learning across curriculum areas.

In addition, through a partnership with the Victorian Student Representative Council (the peak body representing secondary students in Victoria), the VEC delivered six teacher professional development workshops in regional areas.

## PEOPLE LIVING WITH A DISABILITY

In preparation for the 2016 local government elections, the VEC actively promoted its education program to disability service providers and specialist schools, with a view to educating people with a disability of their voting rights. Some 25 sessions were conducted for people in a range of disability groups. The sessions focused on the support available to assist people with disabilities to vote and their understanding of how to vote correctly.

## PRISONER EDUCATION PROGRAM

In the second half of the year, the VEC commenced working with a number of government and community sector stakeholders in developing a Prisoner Education Program. The aim of the Program is to increase the political literacy and participation of people in prison.

As part of the Program development, focus groups were conducted with people in prison to learn their views and understanding of the electoral process. Many of the prisoners stated that they would like more information about how elections work.

Corrections Victoria has been instrumental in providing the support for this project and its future success.

# INTERACTION WITH ELECTORAL BODIES

The VEC works with various national and international electoral bodies with the aim of supporting increased innovation and electoral harmonisation across Australia and globally. The exchange of ideas, collaborative research and discussion on key matters of interest with other electoral bodies (including through established forums), is an important basis for continued innovation. These interactions also support the VEC's capacity to recommend and advise on relevant legislative change in Victoria.

## ELECTORAL COUNCIL OF AUSTRALIA AND NEW ZEALAND

The Electoral Council of Australia and New Zealand (ECANZ) is a consultative forum with membership comprising Commonwealth and New Zealand and State and Territory Electoral Commissioners. This forum recognises the strong association and commonality existing between these organisations. It met on four occasions in 2015-16, with Victoria presiding as Council Chair from February 2016.

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 the year the ECANZ consulted on a range of issues including enrolment strategies, the security and handling of critical election material, technology in elections and the impact of changing mail delivery patterns and associated costs.

Participation by marginalised groups, electronic roll marking and materials management will continue as a focus for ECANZ in 2016-17.

## 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; the New Zealand Electoral Commission also joined in October 2012. 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 2015-16, STEC met twice before the decision was taken to absorb this meeting arrangement into the activities of ECANZ. While evident duplication of reporting was a factor in this change, the very effective collaborative working groups established through STEC will continue under ECANZ.

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# INTERACTION WITH ELECTORAL BODIES (CONTINUED)

**FIGURE 16: VOTING SERVICES PROVIDED FOR OTHER ELECTORAL AGENCIES, 2015-16**

ELECTION DATE	JURISDICTION	ELECTION	TOTAL VOTES
19 March 2016	Queensland	Local government elections and Parliamentary Term Referendum	29
7 May 2016	Tasmania	Tasmania Legislative Council Election – Aspley	11
7 May 2016	Tasmania	Tasmania Legislative Council Election – Elwick	2

## 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 2015-16 is included in this Report (Appendix N). The Electoral Boundaries Commission will likely meet in November 2016 being two years since the 2014 State election, as required by legislation.

## ELECTORAL MATTERS COMMITTEE

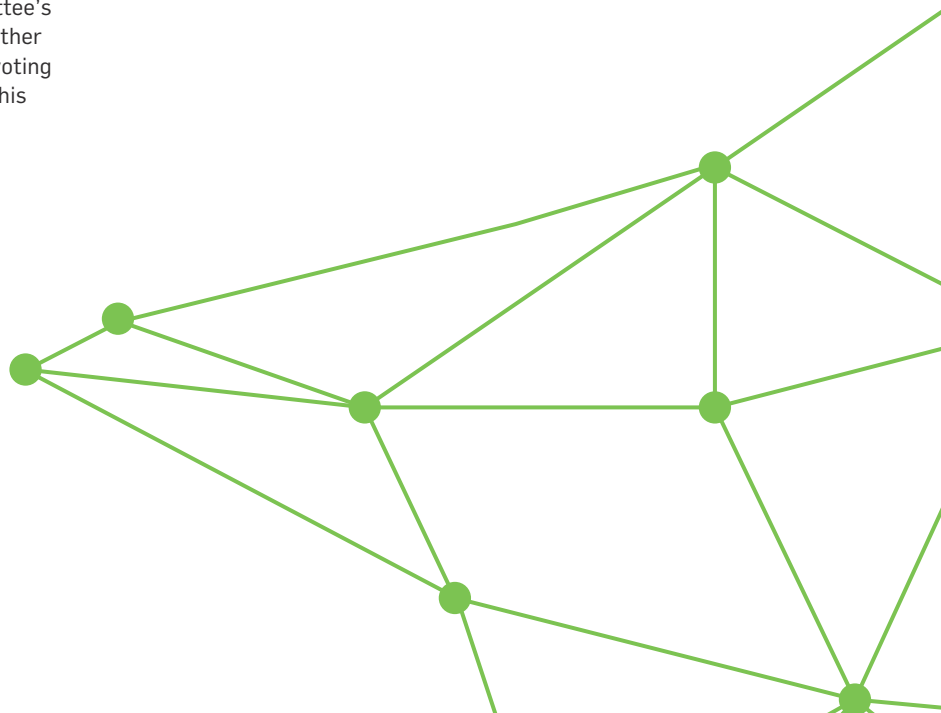
The VEC has an interest in the work of the Electoral Matters Committee (EMC), a Joint Investigatory Committee of the Parliament of Victoria. The EMC comprises seven Members of Parliament drawn from both Houses. Its powers and responsibilities are determined by the *Parliamentary Committees Act 2003*.

As part of the EMC's Inquiry into the Conduct of the 2014 Victorian State Election, the VEC submitted its report on 8 July 2015 and appeared before the Committee at a public hearing on 11 August 2015. At the hearing the VEC was questioned on early voting, voting centre selection and harmonisation with other States. The Committee's resulting report is currently being reviewed. A further inquiry by the EMC into the subject of electronic voting has just commenced. The VEC will contribute to this inquiry in 2016-17.

## 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 16).

While the VEC has routinely provided staff to other Australian electoral agencies for short periods to assist at their electoral events, no interstate secondments occurred in the reporting period.



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# 2015-16

## PRIORITY INITIATIVE

STRATEGIC INITIATIVE	24. Develop and implement targeted organisational-wide training and development
Result 2015-16	<ul style="list-style-type: none"><li>• Performance and development is aligned with corporate planning</li><li>• Core competency training delivered to staff where there is an identified need.</li></ul>
Outlook 2016-17	Establishment of a catalogue of online learning courses Implementation of a people management competency framework

## 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 work environment
- Effective skill, information and knowledge transfer
- VEC operating model fit for business

## ACHIEVEMENTS 2015-16

- Core skills training delivered in Equal Employment Opportunity and Project Management
- Branch exchange program implemented
- Online management forums established
- Roll-out of an Employee Handbook developed for new and existing employees
- End-to-end review of the OHS Management System

# OUTLOOK 2016-17

- Develop and deliver a Diversity and Inclusion strategy – strategic initiative 24
- Develop and implement a consistent workforce and succession planning process – strategic initiative 17
- Expansion of online learning modules
- Development of a people management competency framework
- Implementation of the OHS Audit recommendations
- Facilitation of an organisation-wide position description review

# HUMAN RESOURCE MANAGEMENT

In 2015-16 the VEC continued to invest in strengthening the annual planning process including individual performance planning and the establishment of individual development goals to enable achievement of Key Performance Indicators (KPIs). Behaviours that underpin the VEC Values continue to be a key feature of the formal performance process. With the introduction of a new Learning Management System (VECLearn) in March 2016, staff now have a platform to manage their professional development.

The VEC continued to invest in leadership development, core skill training and well-being programs in 2015-16. All staff completed the Equal Employment Opportunity e-learn module in 2016. The training:

- Outlined the VEC's commitment to the Equal Employment Opportunity Principles
- Identified what discrimination, sexual harassment, bullying and vilification may look like in the workplace, and
- Clarified employee rights and responsibilities, as well as outlining options for dealing with issues and/or lodging a complaint.

Staff also attended refresher Project Management training centred on the VEC Project Management Framework. The Framework, which was originally developed in 2014, was reviewed in January 2016. Changes adopted as a result of the review included streamlining the Framework documentation, and establishing a set of universal project measures to enable effective governance of all internal projects.

As a continuum to the VEC Culture Program, all members of the Executive Management Group participated in a personality-based leadership development survey (DISC). Each member was provided with a profile report providing insights to individual unconscious behaviour in comparison with conscious adjusted behavioural styles. The report also included the exploration of personal drivers (motivation). Each report contained extensive personal actions plans. In 2016-17 leaders will attend a workshop using the model to build an awareness and appreciation of others' styles and build strategies to adapt styles to enhance leadership effectiveness.

During 2015-16, staff attended an average of 4.06 days of formal training per FTE (see Figure 17). VEC staff were also encouraged to attend practice group forums, public administration workshops and a variety of networking sessions.

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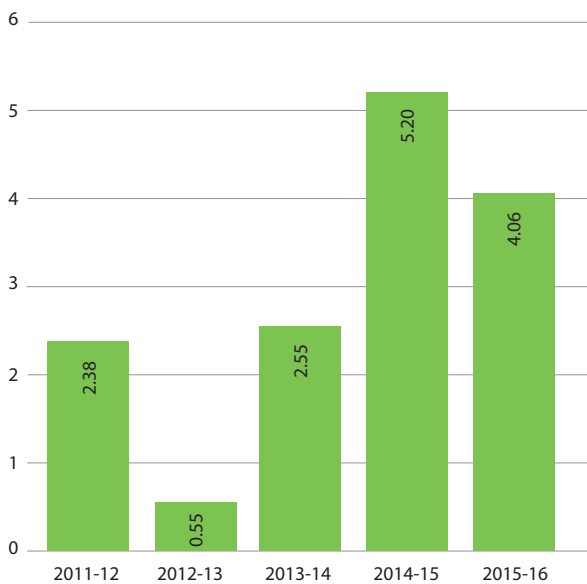
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**FIGURE 17: TRAINING DAYS PER FTE, 2011-12 TO 2015-16**



*Note: Figures exclude training for election officials.*

## STAFF ENGAGEMENT

The VEC has participated in the Victorian Public Sector Commission People Matter survey annually since 2013 and biennially prior to 2013. In 2015, 63% of staff responded to the survey. Results were very positive with over 55% of statements ranked 5% or above the VEC comparator group average. The VEC's top ten results covered a broad cross-section of VPS values and employment principles including Human Rights, Wellbeing, Responsiveness, Development and Impartiality. The survey identified the need to continue to improve internal change programs including better consultation with staff, providing clarity on the purpose for change, and providing opportunities for staff to contribute to change programs.

## ELECTION STAFF

The VEC has approximately 300 Senior Election Officials (SEOs) on standby who have been recruited and trained for engagement in senior election management positions during State and local government elections. From this pool of SEOs, individuals are selected for appointment to management roles for each electoral event.

The VEC conducted orientation training for over 90 newly recruited SEOs during September and October 2015. From the total pool of SEOs, Returning Officers and Deputy Returning Officers were then selected and appointed for the 2016 local government elections. A training program involving up to four days of face-to-face training for appointed Returning Officers, Deputy Returning Officers, and a reserve team commenced in May and will continue to August 2016. Returning Officers and their teams will commence work in election offices in September 2016, in time for the opening of nominations.

The VEC maintains an ongoing database of individuals interested in working during elections. There are approximately 30,500 registered in this database and people may register at any time. This database forms part of the VEC's payroll and recruitment system, which is used to manage large volumes of casual appointments for each electoral event. The VEC is committed to continuously developing and improving the electronic payroll and recruitment system so that it meets the needs of election offices and, for the 2016 local government elections, the VEC anticipates appointing up to 8,000 individuals.

The VEC maintains an ongoing Personnel Helpline to support casual election staff in the registration and appointment process.



## WORKFORCE DEMOGRAPHICS

**FIGURE 18: ACTIVE STAFF IN LAST PAY PERIOD JUNE 2012-16**

	ONGOING EMPLOYEES			FIXED TERM AND CASUAL		
	NUMBER (HEADCOUNT)	FULL TIME (HEADCOUNT)	PART TIME (HEADCOUNT)	FTE	FTE	
<b>2016</b>	<b>67</b>	<b>59</b>	<b>8</b>	<b>64.4</b>	<b>27.6</b>	<b>92</b>
2015	62	54	8	59.8	27.5	87.3
2014	65	56	9	62.5	30.11	92.61
2013	62	52	10	58.4	16.6	75
2012	60	49	11	56.7	21.2	77.9

Notes: FTE = Full time equivalent

Excluded are those on leave without pay, or absent on secondment, external contractors and temporary staff employed by employment agencies, election appointees to statutory offices as defined in the *Public Administration Act 2004*, and election casual staff employed under the *Electoral Act 2002*.

**FIGURE 19: STAFF BY GENDER, AT 30 JUNE 2016**

	ONGOING		FIXED TERM AND CASUAL	
	HEAD-COUNT	FTE	HEAD-COUNT	FTE
Male	29	28.2	13	11.3
Female	38	36.2	23	16.3

**FIGURE 20: RECRUITMENT, DEPARTURES AND TURNOVER, 2011-12 TO 2015-16**

	HEAD-COUNT	COMMENCEMENTS		DEPARTURES	STAFF TURNOVER (% DEPARTURES/FTE)
		FTE	FTE	FTE	
<b>2015-16</b>	<b>67</b>	<b>64.4</b>	<b>13</b>	<b>10</b>	<b>15.53%</b>
2014-15	62	59.8	4	5	8.36%
2013-14	65	62.5	17.2	4.6	7.36%
2012-13	62	58.4	13	3.8	6.51%
2011-12	60	56.7	6	5.2	9.17%

## RECRUITMENT AND TURNOVER

In 2015-16, the VEC introduced new recruitment and selection policies and procedures for recruiting ongoing and fixed term employees and engaging recruitment agencies. The policies incorporate the Victorian Public Sector Commission employment standards and provide a consistent framework for the recruitment and selection processes across the VEC, ensuring responsibilities are clear for hiring managers. Supporting documentation including recruitment requisitions, interview guides, assessment templates and selection forms were also updated to simplify the process. Education was provided for hiring managers and continues to be provided for new managers.

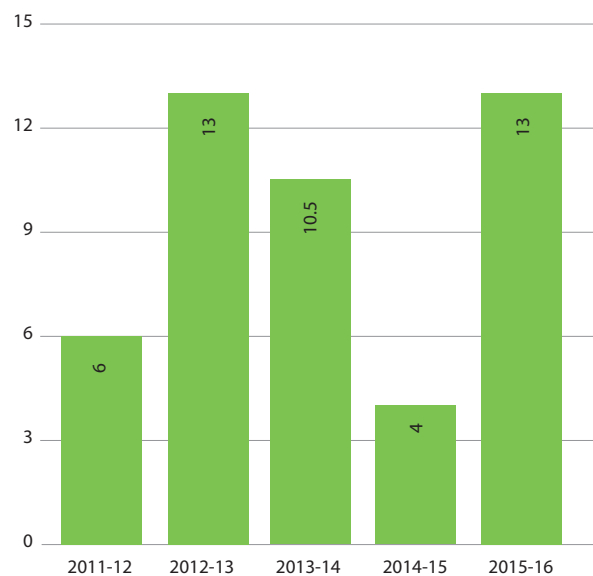
In the 2015-16 year, the VEC recruited 13 ongoing positions. Seven of these positions were newly created positions (growth roles) and six were to backfill existing positions.

Figure 20 shows the staff full time equivalent (FTE) roles recruited and departures from 2011-12 to 2015-16. Recruitment requirements vary according to electoral activity and staff movements. Peaks are generally reflective of the electoral cycle.

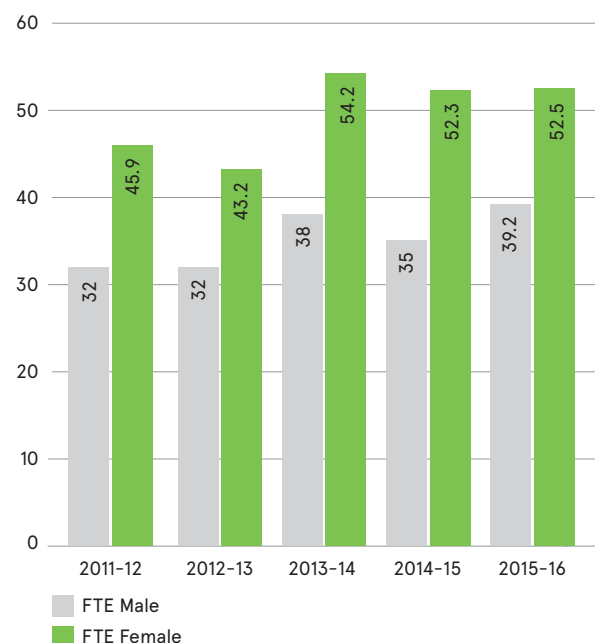
## EMPLOYMENT DIVERSITY

The diversity of the workforce is embedded in the VEC's values and the organisation is committed to ensuring that the workforce represents the diversity of the community in which it operates. All externally advertised roles and vacancies are forwarded to the VEC Electoral Access Advisory Group (EAAG), whose members have committed to disseminating information about these roles to the various members they represent.

**FIGURE 21: RECRUITMENT (FTE ONGOING), 2011-12 TO 2015-16**



**FIGURE 22: VEC STAFF BY GENDER, 2011-12 TO 2015-16**



# OCCUPATIONAL HEALTH AND SAFETY

In 2015-16, the VEC reviewed the Occupational Health and Safety Management System (OHSMS), which was implemented in September 2015.

The VEC Executive Management Group committed to maintaining and monitoring the OHSMS, integrating it with daily business activities and making OHS information readily available to staff.

This year, the OHS Committee has focussed on identifying areas for improvement and reviewed the OHSMS, including roles and responsibilities. This ensures the OHSMS and supporting documentation is comprehensive, compliant and effective, and controls are in place where there are identified risks. In addition, the comprehensive OHS Risk Register with 53 risks (hazards) has been reviewed; ensuring control measures in place are effective. Quarterly OHS inspections occurred across all designated work group areas, which ensures the VEC is continually monitoring and improving the safety of its workplace.

Formal OHS reporting has continued, which include an overview of incidents, OHS training undertaken and performance against OHS targets. Reports are shared with managers and the OHS Committee, ensuring health and safety remains front of mind.

Auditors were engaged to conduct an OHS audit in October 2015. Their findings confirmed the VEC had established effective processes in managing the OHS function, and that the current OHSMS ensures a high level of compliance with the *Occupational Health and Safety Act 2004*.

The engaged auditors identified some areas for improvements. As a result, the VEC has since implemented a training register for its warehouse site, capturing all licence and training refreshers for warehouse staff. High-lift forklift refresher and specialised manual handling training was completed by all warehouse staff. In addition, all safe work procedures, warehouse safety policies and procedures have been reviewed and updated. The remaining recommendations from the audit will be implemented during the 2016-17 year.

## STAFF WELL-BEING SERVICES

During the 2015-16 year, the VEC continued to deliver a well-being program that incorporated a number of activities, and regularly provided health and wellbeing information to employees about common health issues and preventative actions.

The range of activities offered during 2015-16 included:

- an all-staff information session held by Optum (the provider of the VEC's Employee Assistance Program) to provide information about the confidential, short-term counselling and wellbeing support services that are available to all VEC employees and their immediate family members
- a men's health information session facilitated by an external speaker from Optum, which explored the role of men in society and the expectations of their role, the impact of stress on disease, mental health and well-being and focused on men's health solutions
- International Women's Day – a *speed-networking event* with four very successful women from both public and private sector organisations sharing their career journey with VEC staff, and a competition for three VEC employees to attend IPAA's International Women's Day Gala Dinner and
- once again, the VEC funded the flu vaccination program, with 43 employees taking advantage of the service.

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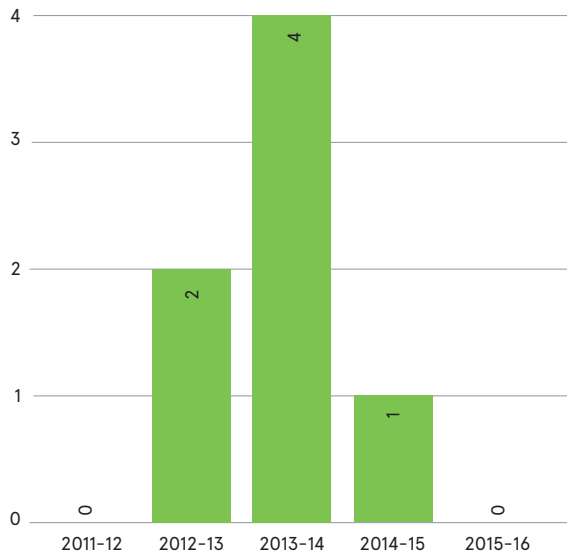
# OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

**FIGURE 23: THE VEC'S PERFORMANCE AGAINST OHS MANAGEMENT MEASURES, 2011-12 TO 2015-16**

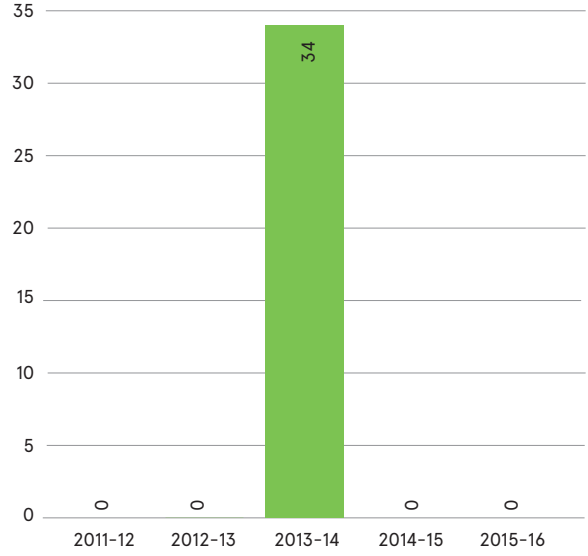
MEASURE	KPI	2011-12	2012-13	2013-14	2014-15	2015-16
Incidents	Staff FTE (not including casual staff)	72.7	72.4	81.3	81	86.2
	No. of incidents	6	17	9	6	13
	Rate per 100 FTE	8.25	23.48	11.07	7.41	15.08
Claims	No. of standard claims	0	1	2	0	0
	Rate per 100 FTE	0.00	1.38	2.46	0.00	0
	No of lost time claims	0	0	2	0	0
	Rate per 100 FTE	0.00	0.00	2.46	0.00	0
	No of claims exceeding 13 weeks	0	0	0	0	0
	Rate per 100 FTE	0.00	0.00	0.00	0.00	0
Fatalities	Fatality claims	0	0	0	0	0
Claim costs	Average cost per standard claim	3,893	NA	2,274	8,576	0
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	in progress	completed	completed
	Evidence of OHS criteria 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	71%	100%	100%	100%
	Percentage of issues identified and actioned arising from:					
	• internal audits	NR	100%	100%	100%	NR
	• 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%	100%	100%	100%	100%
	• management training	100%	scheduled	*0%	100%	0%
	• contractors, temps and visitors.	NA	NA	NA	100%	100%
	Percentage of HSRs trained:					
	• acceptance of role	100%	100%	100%	100%	100%
	• re-training (refresher)	100%	100%	100%	100%	0%
	• reporting of incidents and injuries	100%	100%	100%	100%	100%

NR: not reported \*Figures corrected

**FIGURE 24: CLAIMS FOR WORKCOVER OR WORKERS COMPENSATION, 2011-12 TO 2015-16**



**FIGURE 25: DAYS LOST AS A RESULT OF WORKPLACE-RELATED INJURY, 2011-12 TO 2015-16**

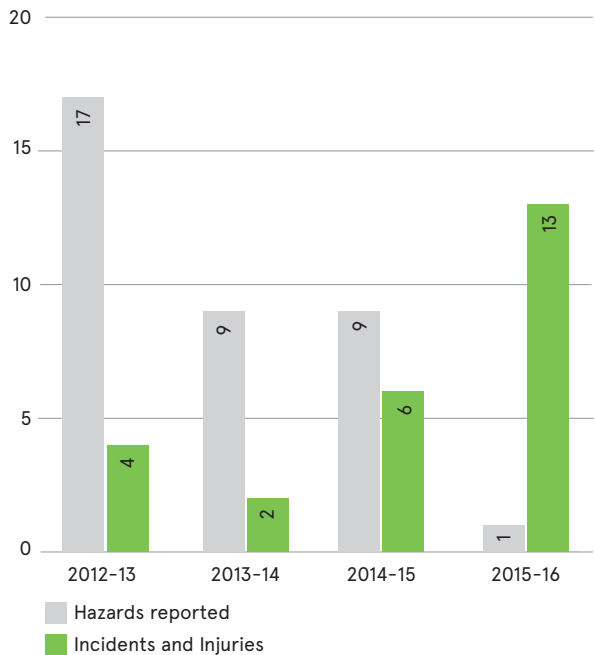


### HAZARDS, INCIDENTS AND INJURIES

During the 2015-16 year, the VEC received thirteen incident notifications and one hazard notification. There was also one claim for compensation (minor).

All OHS incidents reported during the 2015-16 year have been thoroughly investigated by health and safety representatives and management. Corrective action has been implemented and monitored. The VEC has seen an increase in the number of OHS incidents reported, which is a result of the increased education to staff on the necessity to report all incidents (even if there is no resulting injury) so that the VEC can take preventative action. All corrective actions are monitored and reviewed on the VEC's Safety Action Plan on a regular basis to ensure they are effective.

**FIGURE 26: HAZARD, INCIDENTS AND INJURIES REPORTED, 2012-13 TO 2015-16**



# STAFF SERVICES AND EMPLOYMENT CONDITIONS

## FLEXIBLE WORK ARRANGEMENTS

The VEC continued to provide flexible work options to staff upon request including:

- a compressed fortnight work pattern (working a nine day fortnight) to allow an employee to provide care for their elderly parent
- a job-share arrangement for an employee returning from parental leave and
- flexibility in starting and finishing times for employees with childcare responsibilities.

## 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 site – VECentral.

## CODE OF CONDUCT

All new employees are provided with a copy of the VPS Code of Conduct. The VPS values as outlined in the code of conduct are embedded in the Employee Performance and Development plan as performance criteria where employees are required to provide evidence of demonstrating or modelling the behaviours that underpin the values. VEC employees have also established a common set of 'below the line' behaviours (inappropriate behaviours), which when witnessed or identified, are called out and appropriate action is taken.

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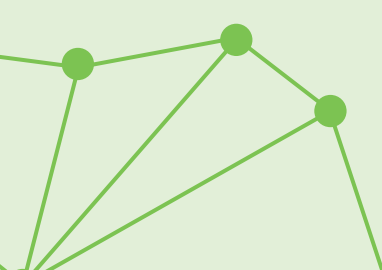
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# COMPREHENSIVE OPERATING STATEMENT

## COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	NOTES	2016 \$'000	*2015 \$'000
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Special appropriations	4, 22	25,260	62,623
<b>Total income from transactions</b>		<b>25,260</b>	<b>62,623</b>
<b>Expenses from transactions</b>			
Employee expenses	5(a)	10,948	31,163
Supplies and services	5(d)	11,009	26,498
Depreciation and amortisation	5(b)	1,017	1,680
Interest expense	5(c)	3	1
Capital asset charge		129	129
Operating lease rental expense		1,840	6,264
<b>Total expenses from transactions</b>		<b>24,946</b>	<b>65,735</b>
<b>Net result from transactions (net operating balance)</b>		<b>314</b>	<b>(3,112)</b>
<b>Other economic flows included in net result</b>			
Other gains / (losses) from other economic flows	6	(61)	(30)
<b>Total other economic flows included in net result</b>		<b>(61)</b>	<b>(30)</b>
<b>Net result</b>	21(b)	<b>253</b>	<b>(3,142)</b>
<b>Comprehensive result</b>		<b>253</b>	<b>(3,142)</b>

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

\* Restated



# BALANCE SHEET

AS AT 30 JUNE 2016

	NOTES	2016 \$'000	*2015 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	21(a)	2	2
Receivables	7	416	295
<b>Total financial assets</b>		<b>418</b>	<b>297</b>
<b>Non-financial assets</b>			
Inventories	8	2,615	1,438
Property, plant and equipment	9	2,625	3,111
Intangible assets	10	5,322	4,850
Other non-financial assets	11	750	257
<b>Total non-financial assets</b>		<b>11,312</b>	<b>9,656</b>
<b>Total assets</b>		<b>11,730</b>	<b>9,953</b>
<b>Liabilities</b>			
Payables	12	1,079	695
Borrowings	13, 17	94	104
Provisions	14	2,716	2,668
Other liabilities	15	1,568	1,457
<b>Total liabilities</b>		<b>5,457</b>	<b>4,924</b>
<b>Net assets</b>		<b>6,273</b>	<b>5,029</b>
<b>Equity</b>			
Accumulated (deficit) / surplus		(25,795)	(26,048)
Contributed capital		32,068	31,077
<b>Net worth</b>		<b>6,273</b>	<b>5,029</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.

\* Restated

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# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	NOTES	*ACCUMULATED SURPLUS \$'000	CONTRIBUTED CAPITAL \$'000	*TOTAL \$'000
<b>Balance at 1 July 2014</b>		(22,906)	30,476	7,570
Net result for the year		(3,142)	-	(3,142)
Other comprehensive income for the year		-	-	-
Capital appropriations		-	601	601
<b>Balance at 30 June 2015</b>		<b>(26,048)</b>	<b>31,077</b>	<b>5,029</b>
Net result for the year	21(b)	253	-	253
Other comprehensive income for the year		-	-	-
Capital appropriations	22	-	991	991
<b>Balance at 30 June 2016</b>		<b>(25,795)</b>	<b>32,068</b>	<b>6,273</b>

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

\* Restated

# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	NOTES	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government		26,625	65,764
<b>Total receipts</b>		<b>26,625</b>	<b>65,764</b>
<b>Payments</b>			
Payments to suppliers and employees		(25,106)	(62,476)
Goods and Services Tax paid to the ATO	(i)	(1,369)	(3,158)
Capital asset charge payments		(129)	(129)
Interest and other costs of finance paid		(3)	(1)
<b>Total payments</b>		<b>(26,607)</b>	<b>(65,764)</b>
<b>Net cash flows from / (used in) operating activities</b>	21(b)	<b>18</b>	-
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets	22	(991)	(601)
Sales of non-financial assets		(18)	-
<b>Net cash flows (used in) / from investing activities</b>		<b>(1,009)</b>	<b>(601)</b>
<b>Cash flows from financing activities</b>			
Owner contributions by State Government		991	601
<b>Net cash flows from / (used in) financing activities</b>		<b>991</b>	<b>601</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		-	-
Cash and cash equivalents at the beginning of the financial year		2	2
<b>Cash and cash equivalents at the end of the financial year</b>	21(a)	<b>2</b>	<b>2</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

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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 2016.

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 30.

The annual financial statements were authorised for issue by the Electoral Commissioner of the Victorian Electoral Commission on 29 August 2016.

### (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. The only exception is for special appropriation revenue, which is recognised on a cash basis when the amount appropriated for a specific purpose is received by the Commission.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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))

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

Consistent with ASSB 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 fee 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).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (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, 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 on behalf of the State Government of the Commission are consolidated into the financial statements of the State.

Disclosures related to administered items on behalf of the State government can be found in Note 3.

#### ADMINISTERED ITEMS – PARTIES EXTERNAL TO THE STATE 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. Disclosures related to administered items on behalf of the State Government can be found in 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 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'.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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 30 for a style convention explaining that minor discrepancies in totals of tables are due to rounding.

### (F) CHANGES IN ACCOUNTING POLICIES

Subsequent to the 2014-15 reporting period, there have been no new or revised Standards adopted in the current period that resulted in a change in accounting policy.

### (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 Premier and Cabinet, and applied to the purposes defined under the *Electoral Act 2002*. The appropriation revenue is recognised on a cash basis when the operating bank account is funded by government.

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)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

All intangible assets with indefinite useful lives are not depreciated or amortised, but are tested for impairment by comparing its recoverable amount with its carrying amount:

- (a) annually; and
- (b) whenever there is an indication that the intangible asset may be impaired (refer to Note 1 (I)).

#### INTEREST EXPENSE

Interest expense represents costs incurred in connection with borrowings. It includes interest components of finance lease.

Interest expense is recognised in the period in which it is incurred. Refer to Note 30 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.



## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

### (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.

#### 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.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 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*.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

### 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 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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. A provision has been established for make good of the leased premises to cover those make good costs expected to be incurred at the expiry of the leases.

#### **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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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.

### 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.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (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 2016 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 2016, 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)

STANDARD / INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON VEC FINANCIAL STATEMENTS
AASB 9 <i>Financial instruments</i>	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 2018	<p>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.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>

## NOTE 2. DEPARTMENTAL (CONTROLLED) OUTPUTS

A description of Departmental outputs performed during the year ended 30 June 2016, and the objectives of these outputs, are summarised below.

### ELECTION SERVICES

#### DESCRIPTION OF OUTPUT

Maintaining the 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 2016.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 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 (J)).

		STATE	LOCAL GOVERNMENT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Administered income from transactions</b>				
Sales of goods and services	1,133	423	-	-
Fines	2,700	1,763	193	49
Candidates deposits	7	322	6	9
Electoral entitlements	111	9,828	-	-
<b>Total administered income from transactions</b>	<b>3,951</b>	<b>12,336</b>	<b>199</b>	<b>58</b>
<b>Administered expenses from transactions</b>				
Payments into the Consolidated Fund	3,927	2,295	-	-
Payments to local government	-	-	137	102
Payments made on behalf of the State	115	9,987	-	-
Payments made on behalf of local government	-	-	5	6
<b>Total administered expenses from transactions</b>	<b>4,042</b>	<b>12,282</b>	<b>142</b>	<b>108</b>
<b>Total administered net result from transactions (net operating balance)</b>	<b>(91)</b>	<b>54</b>	<b>57</b>	<b>(50)</b>
<b>Administered financial assets</b>				
Bank	127	140	-	1
Receivables	80	189	-	-
<b>Total administered financial assets</b>	<b>207</b>	<b>329</b>	<b>-</b>	<b>1</b>
<b>Administered liabilities</b>				
Bank Overdraft	-	-	-	-
Candidates deposits	-	-	-	-
Compulsory voting fines	69	141	58	1
Creditors and accruals	-	17	-	-
<b>Total administered liabilities</b>	<b>69</b>	<b>158</b>	<b>58</b>	<b>1</b>
<b>Total administered net assets</b>	<b>138</b>	<b>171</b>	<b>(58)</b>	<b>-</b>



## NOTE 4. INCOME FROM TRANSACTIONS

	2016 \$'000	*2015 \$'000
<b>(a) Revenue from government</b>		
Special appropriations	25,260	62,623
<b>Total revenue from government</b>	<b>25,260</b>	<b>62,623</b>

## NOTE 5. EXPENSES FROM TRANSACTIONS

	2016 \$'000	2015 \$'000
<b>(a) Employee expenses</b>		
Post employment benefits:		
Defined benefit and contribution superannuation expense	871	1,950
Salaries and wages, annual leave and long service leave	10,077	29,213
<b>Total employee expenses</b>	<b>10,948</b>	<b>31,163</b>
<b>(b) Depreciation and amortisation</b>		
Plant, equipment and vehicles	567	626
Intangible produced assets	450	1,054
<b>Total depreciation and amortisation</b>	<b>1,017</b>	<b>1,680</b>
<b>(c) Interest expense</b>		
Interest on finance leases	3	1
<b>Total interest expense</b>	<b>3</b>	<b>1</b>
<b>(d) Supplies and services</b>		
Purchase of supplies and consumables	1,357	8,563
Purchase of services	9,102	17,268
Maintenance	496	569
Other	54	98
<b>Total Supplies and Services</b>	<b>11,009</b>	<b>26,498</b>

\* Restated

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 6. OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	2016 \$'000	2015 \$'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)	(61)	(30)
<b>Total net gain/(loss) from other economic flows</b>	<b>(61)</b>	<b>(30)</b>
<b>Total Other economic flows included in net result</b>	<b>(61)</b>	<b>(30)</b>

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

### NOTE 7. RECEIVABLES

	2016 \$'000	2015 \$'000
<b>Current receivables</b>		
<b>Statutory</b>		
Amount owing from Victorian Government (i)	-	84
GST input tax credit recoverable	302	198
	302	282
<b>Contractual</b>		
Other receivables	114	13
	114	13
<b>Total current receivables</b>	<b>416</b>	<b>295</b>
<b>Total receivables</b>	<b>416</b>	<b>295</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

	2016 \$'000	2015 \$'000
<b>Current inventories</b>		
Supplies and consumables		
At cost	2,615	1,438
<b>Total inventories</b>	<b>2,615</b>	<b>1,438</b>

## NOTE 9. PROPERTY, PLANT AND EQUIPMENT

TABLE 9.1: CLASSIFICATION BY 'PURPOSE GROUP' - CARRYING AMOUNTS (i)

	PUBLIC ADMINISTRATION	
	2016 \$'000	*2015 \$'000
<b>Nature-based classification</b>		
Plant, equipment and vehicles at fair value	366	498
Leasehold Improvements	2,259	2,613
<b>Net carrying amount of PPE</b>	<b>2,625</b>	<b>3,111</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.

TABLE 9.2: GROSS CARRYING AMOUNTS AND ACCUMULATED DEPRECIATIONS

	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT	
	2016 \$'000	*2015 \$'000	2016 \$'000	*2015 \$'000	2016 \$'000	*2015 \$'000
Plant, equipment and vehicles at fair value	2,763	2,841	(2,397)	(2,343)	366	498
Leasehold Improvements	4,069	4,069	(1,810)	(1,456)	2,259	2,613
<b>Net carrying amount of PPE</b>	<b>6,832</b>	<b>6,910</b>	<b>(4,207)</b>	<b>(3,799)</b>	<b>2,625</b>	<b>3,111</b>

\* Restated

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

**TABLE 9.3: CLASSIFICATION BY 'PUBLIC ADMINISTRATION' PURPOSE GROUP  
- MOVEMENTS IN CARRYING AMOUNTS (i)**

	PLANT, EQUIPMENT AND VEHICLES AT FAIR VALUE		LEASEHOLD IMPROVEMENTS		TOTAL	
	2016 \$'000	2015 \$'000	2016 \$'000	*2015 \$'000	2016 \$'000	*2015 \$'000
<b>Opening balance</b>	<b>498</b>	<b>666</b>	<b>2,613</b>	<b>2,936</b>	<b>3,111</b>	<b>3,602</b>
Additions	106	139	-	25	106	164
Disposals	(25)	(29)	-	-	(25)	(29)
Depreciation	(213)	(278)	(354)	(348)	(567)	(626)
<b>Closing balance</b>	<b>366</b>	<b>498</b>	<b>2,259</b>	<b>2,613</b>	<b>2,625</b>	<b>3,111</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.

\* Restated

**TABLE 9.4: AGGREGATE DEPRECIATION AND AMORTISATION RECOGNISED AS AN EXPENSE  
DURING THE YEAR (i)**

	2016 \$'000	*2015 \$'000
Leasehold Improvements	354	348
Plant, equipment and vehicles at fair value	213	278
	<b>567</b>	<b>626</b>

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

\* Restated

**TABLE 9.5: FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 30 JUNE 2016**

	(\$ THOUSANDS) CARRYING AMOUNT		FAIR VALUE MEASUREMENT AT THE END OF REPORTING PERIOD USING:					
	2016	2015	LEVEL 1 (i) 2015	LEVEL 2 (i) 2015	LEVEL 3 (i) 2016	LEVEL 1 (i) 2015	LEVEL 2 (i) 2015	LEVEL 3 (i) 2015
Plant, equipment and vehicles at fair value								
Plant and equipment	273	395			273			395
Vehicles (ii)	93	103			93			103
<b>Total of plant, equipment and vehicles at fair value</b>	<b>366</b>	<b>498</b>			<b>366</b>			<b>498</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.

## NOTE 9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 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 2016.

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 Victorian Government who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

**TABLE 9.6: RECONCILIATION OF LEVEL 3 FAIR VALUE**

2016	PLANT AND EQUIPMENT	VEHICLES
<b>Opening balance</b>	<b>396</b>	<b>103</b>
Purchases (sales)	30	50
Transfers in (out) of Level 3	-	-
Gains or losses recognised in net result		
Depreciations	(154)	(59)
Impairment loss	-	-
<b>Subtotal</b>	<b>272</b>	<b>94</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>272</b>	<b>94</b>
Unrealised gains/(losses) on non-financial assets	-	-
<b>2015</b>	<b>PLANT AND EQUIPMENT</b>	<b>VEHICLES</b>
<b>Opening balance</b>	<b>577</b>	<b>89</b>
Purchases (sales)	59	52
Transfers in (out) of Level 3	-	-
Gains or losses recognised in net result	-	-
Depreciations	(240)	(38)
Impairment loss	-	-
<b>Subtotal</b>	<b>396</b>	<b>103</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>396</b>	<b>103</b>
Unrealised gains/(losses) on non-financial assets	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (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

	2016 \$'000	2015 \$'000
<b>Gross carrying amount</b>		
Opening balance	18,966	18,460
Addition from internal development	922	506
Closing balance	<b>19,888</b>	<b>18,966</b>
<b>Accumulated depreciation, amortisation and impairment</b>		
Opening balance	(14,116)	(13,062)
Amortisation expense (i)	(450)	(1,054)
Impairment losses charged to net result	-	-
Closing balance	<b>(14,566)</b>	<b>(14,116)</b>
<b>Net book value at the end of the financial year</b>	<b>5,322</b>	<b>4,850</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 systems. The carrying amount of the capitalised software development expenditure of \$5.3 million (2015: \$4.9 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 fully amortised in 2015.

### NOTE 11. OTHER NON-FINANCIAL ASSETS

	2016 \$'000	2015 \$'000
<b>Current other non-financial assets</b>		
Prepayments	750	257
<b>Total current other non-financial assets</b>	<b>750</b>	<b>257</b>

## NOTE 12. PAYABLES

	2016 \$'000	2015 \$'000
<b>Current payables</b>		
<b>Contractual</b>		
Supplies and services (i)	1,061	684
Other payables	18	11
<b>Total current payables</b>	<b>1,079</b>	<b>695</b>
<b>Total payables</b>	<b>1,079</b>	<b>695</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

	2016 \$'000	2015 \$'000
<b>Current borrowings</b>		
Lease liabilities (i) (Note 17)	40	38
<b>Total current borrowings</b>	<b>40</b>	<b>38</b>
<b>Non-current borrowings</b>		
Lease liabilities (i) (Note 17)	54	66
<b>Total non-current borrowings</b>	<b>54</b>	<b>66</b>
<b>Total borrowings</b>	<b>94</b>	<b>104</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 2016 (CONTINUED)

### NOTE 14. PROVISIONS

	2016 \$'000	*2015 \$'000
<b>Current provisions</b>		
(i) Employee benefits (Note 14 (a))		
Annual leave		
(ii) Unconditional and expected to be settled within 12 months	604	529
(ii) Unconditional and expected to be settled after 12 months	64	94
Long service leave		
(ii) Unconditional and expected to be settled within 12 months	94	104
(ii) Unconditional and expected to be settled within 12 months	772	814
	<b>1,534</b>	<b>1,541</b>
Provisions for on-costs (Note 14(a) and Note 14(b))		
(ii) Unconditional and expected to be settled within 12 months	108	98
(ii) Unconditional and expected to be settled within 12 months	129	140
	237	238
<b>Total current provisions</b>	<b>1,771</b>	<b>1,779</b>
<b>Non-current provisions</b>		
(i) Employee benefits (Note 14 (a) and Note 14 (b))	241	192
On-costs (Note 14(a))	37	30
Make-good provision (iii)	667	667
<b>Total non-current provisions</b>	<b>945</b>	<b>889</b>
<b>Total provisions</b>	<b>2,716</b>	<b>2,668</b>
<b>(a) Employee benefits and related on-costs (i)</b>		
<b>Current employee benefits</b>		
Annual leave entitlements	667	623
Long service leave entitlements	866	918
<b>Non-current employee benefits</b>		
Long service leave entitlements	241	192
<b>Total employee benefits</b>	<b>1,774</b>	<b>1,733</b>
Current on-costs	237	238
Non-current on-costs	37	30
<b>Total on-costs</b>	<b>274</b>	<b>268</b>
<b>Total employee benefits and related on-costs</b>	<b>2,048</b>	<b>2,001</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.

(iii) In accordance with the lease agreement over the Head office and warehouse facilities, the VEC must remove any leasehold improvements from the leased premises and restore the premises to its original condition at the end of the lease term.

\* Restated



## NOTE 14. PROVISIONS (CONTINUED)

	EMPLOYEE BENEFITS	
	2016 \$'000	2015 \$'000
<b>(b) Movement in provisions</b>		
Opening balance	1,733	1,496
Additional provisions recognised	1,425	787
Additions due to transfer in	-	-
Reductions arising from payments / other sacrifices of future economic benefits	(1,384)	(550)
Reductions due to transfer out	-	-
<b>Closing balance</b>	<b>1,774</b>	<b>1,733</b>
Current	1,533	1,541
Non-current	241	192
<b>Total employee benefits</b>	<b>1,774</b>	<b>1,733</b>

## NOTE 15. OTHER LIABILITIES

	2016 \$'000	2015 \$'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	1,275	1,164
<b>Total non-current other liabilities</b>	<b>1,275</b>	<b>1,164</b>
<b>Total other liabilities</b>	<b>1,568</b>	<b>1,457</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Defined benefit plans:</b>				
(i) State Superannuation Fund - revised and new	49	45	-	-
<b>Defined contribution plans:</b>				
Vicsuper	434	973	-	-
Other	383	928	-	-
<b>Total</b>	<b>866</b>	<b>1,946</b>	<b>-</b>	<b>-</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 Treasury and Finance. 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 (ii)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Other finance lease liabilities payable</b>				
Not longer than one year	44	42	40	38
Longer than one year and not longer than five years	54	68	54	66
Longer than five years	-	-	-	-
<b>Minimum future lease payments</b>	<b>98</b>	<b>110</b>	<b>94</b>	<b>104</b>
Less future finance charges	4	6	-	-
<b>Present value of minimum lease payments</b>	<b>94</b>	<b>104</b>	<b>94</b>	<b>104</b>
<b>Included in the financial statements as:</b>				
Current borrowings lease liabilities (Note 13)			40	38
Non-current borrowings lease liabilities (Note 13)			54	66
			<b>94</b>	<b>104</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)

OUR YEAR

OUR COMMISSION

OUR CORE BUSINESS

OUR STAKEHOLDERS

OUR PEOPLE

FINANCIAL STATEMENTS

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 18. COMMITMENTS FOR EXPENDITURE

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

#### (A) COMMITMENTS (i)

	2016 \$'000	2015 \$'000
<b>Operating and lease commitments</b>		
Rental leases	22,617	25,925
<b>Total operating and lease commitments</b>	<b>22,617</b>	<b>25,925</b>
<b>Other commitments</b>		
Outsourcing	2,200	2,200
<b>Total other commitments</b>	<b>2,200</b>	<b>2,200</b>
<b>Total commitments</b>	<b>24,817</b>	<b>28,125</b>

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

#### (B) COMMITMENTS PAYABLE

NOMINAL VALUE	2016 \$'000	2015 \$'000
<b>Operating and lease commitments (i)</b>		
Less than one year	3,098	2,680
Longer than one year and not longer than five years	13,646	13,492
Five years or more	5,873	9,753
<b>Total operating and lease commitments</b>	<b>22,617</b>	<b>25,925</b>
<b>Other commitments (ii)</b>		
Less than one year	2,200	2,200
<b>Total other commitments</b>	<b>2,200</b>	<b>2,200</b>
<b>Total commitments (inclusive of GST)</b>	<b>24,817</b>	<b>28,125</b>
Less GST recoverable from the Australian Taxation Office	(2,056)	(2,157)
<b>Total commitments (exclusive of GST)</b>	<b>22,761</b>	<b>25,968</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

As at reporting date, the VEC is currently assessing applications from staff for a review of their overtime payments relating to the State election 2014. As at reporting date, the VEC is unable to reliably estimate the associated liability. (2015 - 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	2016 \$'000	2015 \$'000
<b>Financial assets</b>	<b>Category</b>			
Cash and deposits	Cash and bank balances	21	2	2
Other receivables	Loans and receivables	7	114	13
<b>Total contractual financial assets</b>			<b>116</b>	<b>15</b>
<b>Financial liabilities</b>				
Trade and other payables	Amortised cost	12	1,079	695
Lease liabilities	Amortised cost	17	94	104
<b>Total contractual financial liabilities</b>			<b>1,173</b>	<b>799</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### 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>2016</b>							
<b>(ii) Payables</b>							
Trade and other payables	1,079	1,079	1,079	-	-	-	-
<b>Borrowings</b>							
Lease liabilities	94	98	16	-	-	83	-
<b>Total</b>	<b>1,173</b>	<b>1,178</b>	<b>1,095</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>-</b>
<b>2015</b>							
<b>(ii) Payables</b>							
Trade and other payables	695	695	695	-	-	-	-
<b>Borrowings</b>							
Lease liabilities	104	110	15	5	22	68	-
<b>Total</b>	<b>799</b>	<b>805</b>	<b>710</b>	<b>5</b>	<b>22</b>	<b>68</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).

## *(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 2016 (CONTINUED)

## NOTE 20. FINANCIAL INSTRUMENTS (CONTINUED)

TABLE 20.3 INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

	(\$ THOUSAND) MATURITY DATES				
	INTEREST RATE EXPOSURE				
	WEIGHTED AVERAGE INTEREST RATE %	CARRYING AMOUNT	FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON- INTEREST BEARING
<b>2016</b>					
<b>Financial assets</b>					
Cash and deposits	-	2	-	-	2
(i) Receivables					
Other receivables	-	114	-	-	114
<b>Total financial assets</b>		<b>116</b>	<b>-</b>	<b>-</b>	<b>116</b>
<b>Financial liabilities</b>					
(i) Payables					
Trade and other payables		1,079	-	-	1,079
Borrowings					
Lease liabilities	5.09	94	94	-	-
<b>Total financial liabilities</b>		<b>1,173</b>	<b>94</b>	<b>-</b>	<b>1,079</b>
<b>2015</b>					
<b>Financial assets</b>					
Cash and deposits	-	2	-	-	2
(i) Receivables					
Other receivables	-	13	-	-	13
<b>Total financial assets</b>		<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>Financial liabilities</b>					
(i) Payables					
Trade and other payables	-	695	-	-	695
Borrowings					
Lease liabilities	5.59	104	104	-	-
<b>Total financial liabilities</b>		<b>799</b>	<b>104</b>	<b>-</b>	<b>695</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).



### (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
	2016	2016	2015	2015
<b>Contractual financial assets</b>				
Cash and deposits	2	2	2	2
(i) Receivables				
Other receivables	114	114	13	13
<b>Total contractual financial assets</b>	<b>116</b>	<b>116</b>	<b>15</b>	<b>15</b>
<b>Contractual financial liabilities</b>				
(i) Payables				
Trade and other payables	1,079	1,079	695	695
Borrowings				
Lease liabilities	94	94	104	104
<b>Total contractual financial liabilities</b>	<b>1,173</b>	<b>1,173</b>	<b>799</b>	<b>799</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 2016 (CONTINUED)

### NOTE 21. CASH FLOW INFORMATION

#### (A) RECONCILIATION OF CASH AND CASH EQUIVALENTS

	2016 \$'000	2015 \$'000
(i) Total cash and deposits disclosed in the balance sheet	2	2
<b>Balance as per cash flow statement</b>	<b>2</b>	<b>2</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 2016, cash at bank had no unrepresented cheque (2015 - nil)

#### (B) RECONCILIATION OF NET RESULT FOR THE PERIOD

	2016 \$'000	*2015 \$'000
<b>Net result for the period</b>	<b>253</b>	<b>(3,142)</b>
<b>Non-cash movements:</b>		
(Gain)/loss on sale or disposal of non-current assets	(4)	(17)
Depreciation and amortisation of non current assets	1,017	1,680
Other non-cash movements	-	(667)
<b>Movements in assets and liabilities</b>		
(Increase) / decrease in receivables	(121)	237
(Increase) / decrease in inventories	(1,177)	168
(Increase) / decrease in other non-financial assets	(493)	507
Increase / (decrease) in payables	384	23
Increase / (decrease) in provisions	715	926
Increase / (decrease) in other liabilities	111	285
<b>Net cash flows from/(used in) operating activities</b>	<b>18</b>	<b>-</b>

\* Restated

## 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 Premier and Cabinet. 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	
	2016 \$'000	2015 \$'000
<b>Controlled</b>		
Provision for outputs	25,260	62,623
Additions to net assets	991	601
<b>Administered</b>		
Payments made on behalf of the State (Note 3)	111	9,828
<b>Total</b>	<b>26,362</b>	<b>73,052</b>

## NOTE 23. EX-GRATIA PAYMENTS

The Commission made no ex-gratia payments during the reporting period. (2015 - Nil)

## NOTE 24. PRIOR YEAR ADJUSTMENT

Accounting errors were made in prior years in relation to the recognition of a provision for make good liabilities on premises occupied by Victorian Electoral Commission under lease agreements.

The impacts of these errors on the prior period are set out below:

### COMPREHENSIVE OPERATING STATEMENT (EXTRACT)

ACCOUNT	30 JUNE 2015	INCREASE / (DECREASE)	30 JUNE 2015 (RESTATED)
<b>Income</b>			
Special appropriations	62,623	-	62,623
<b>Expenses</b>			
Employee expenses	31,163	-	31,163
Supplies and services	26,498	-	26,498
Depreciation	1,634	46	1,680
Interest expense	1	-	1
Capital asset charge	129	-	129
Operating lease rental expenses	6,264	-	6,264
<b>Total expenses</b>	<b>62,623</b>	<b>46</b>	<b>62,623</b>
<b>Net result from transactions</b>	<b>(3,066)</b>	<b>(46)</b>	<b>(3,112)</b>
<b>Other gains / (losses) from economic flows</b>	<b>(30)</b>	<b>-</b>	<b>(30)</b>
<b>Net result</b>	<b>(3,097)</b>	<b>(46)</b>	<b>(3,142)</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 24. PRIOR YEAR ADJUSTMENT (CONTINUED)

#### BALANCE SHEET (EXTRACT)

ACCOUNT	30 JUNE 2014	INCREASE / (DECREASE)	30 JUNE 2014 (RESTATED)	30 JUNE 2015	INCREASE / (DECREASE)	30 JUNE 2015 (RESTATED)
<b>Financial Assets</b>						
Cash and deposits	2	-	2	2	-	2
Receivables	532	-	532	295	-	295
<b>Non-financial Assets</b>						
Inventories	1,606	-	1,606	1,438	-	1,438
Property, plant and equipment	3,209	392	3,601	2,764	347	3,111
Intangible assets	5,398	-	5,398	4,850	-	4,850
Other non-financial assets	773	-	773	257	-	257
<b>Total Assets</b>	<b>11,520</b>	<b>392</b>	<b>11,912</b>	<b>9,606</b>	<b>347</b>	<b>9,953</b>
<b>Liabilities</b>						
Payables	672	-	672	695	-	695
Borrowings	90	-	90	104	-	104
Provisions	1,741	667	2,408	2,001	667	2,668
Other liabilities	1,172	-	1,172	1,457	-	1,457
<b>Total Liabilities</b>	<b>3,675</b>	<b>667</b>	<b>4,342</b>	<b>4,257</b>	<b>667</b>	<b>4,924</b>
<b>Net Assets</b>	<b>7,845</b>	<b>(275)</b>	<b>7,570</b>	<b>5,349</b>	<b>(320)</b>	<b>5,029</b>
<b>Equity</b>						
Accumulated (deficit) / surplus	(22,631)	(275)	(22,906)	(25,728)	(320)	(26,048)
Contributed capital	30,476	-	30,476	31,077	-	31,077
<b>Net worth</b>	<b>7,845</b>	<b>(275)</b>	<b>7,570</b>	<b>5,349</b>	<b>(320)</b>	<b>5,029</b>

### NOTE 25. ECONOMIC DEPENDENCY

The Victorian Electoral Commission is dependent upon the State of Victoria, via the Department of Premier and Cabinet, for the funding of its operations. At the date of this report management has no reason to believe that this financial support will not continue.

### NOTE 26. 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 position of accountable officer in the Commission is as follows:

Electoral Commissioner  
Mr Warwick Gately AM  
1 July 2015 to 30 June 2016

## 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: \$320,000 - \$329,999 (\$300,000 - \$309,999 in 2015).

## RELATED PARTY TRANSACTIONS

There were no related party transactions during 2016. (2015 - Nil)

## NOTE 27. 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 2016 (2015: Nil).

INCOME BAND	TOTAL REMUNERATION		BASE REMUNERATION	
	2016 NO.	2015 NO.	2016 NO.	2015 NO.
\$200,000 - \$209,999	-	1	-	1
\$210,000 - \$219,999	-	-	-	-
\$220,000 - \$229,999	-	-	1	-
\$230,000 - \$239,999	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 28. REMUNERATION OF AUDITORS

	2016 \$'000	2015 \$'000
<b>Victorian Auditor General's Office</b>		
Audit of the financial statements	22	22
	<b>22</b>	<b>22</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 29. SUBSEQUENT EVENTS

The Victorian Electoral Commission has no material or significant events occurring after the reporting date.

### NOTE 30. 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 another 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.

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016 (CONTINUED)

### NOTE 30. GLOSSARY OF TERMS AND STYLE CONVENTIONS (CONTINUED)

#### 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.

#### 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 2015-16 *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.

#### 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.



# ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

## 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 2016 and financial position of the Commission at 30 June 2016.


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 29 August 2016.



Warwick Gately AM  
Electoral Commissioner  
Victorian Electoral Commission

Melbourne  
29-Aug-16



Kevin Moze  
Acting Chief Financial Officer  
Victorian Electoral Commission

Melbourne  
29-Aug-16

# AUDITOR - GENERAL'S REPORT

**VAGO**

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000

Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010

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*

I have audited the accompanying financial report for the year ended 30 June 2016 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.

#### *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 determines 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.

## 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, I and my 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 2016 and its financial performance and 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*.

MELBOURNE  
30 August 2016

  
for Dr Peter Frost  
Acting Auditor-General

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## LEGISLATION

- *Agricultural Industry Development Act 1990*
- *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*
- *Infringements Act 2006*
- *Juries Act 2000*
- *Legal Profession Act 2004*
- *Liquor Control Reform Act 1998*
- *Local Government Act 1989*
- *Monetary Units Act 2004*
- *Privacy and Data Protection Act 2014*
- *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 2016*

# 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).

**Independent Broad-based Anti-corruption Commission**

GPO Box 24234  
Melbourne VIC 3001  
Phone 1300 735 135

Disclosures of improper conduct or detrimental action by an officer of the VEC may be made to the Protected Disclosures Officer or directly to IBAC.

**Protected Disclosures Officer**

Victorian Electoral Commission  
Level 11, 530 Collins Street  
Melbourne  
Phone (03) 8620 1100

## FURTHER INFORMATION

Written guidelines outlining the system for reporting disclosures of improper conduct or detrimental action by the VEC or its employees and the disclosure handling procedures 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 the Victorian Government Freedom of Information website ([foi.vic.gov.au](http://foi.vic.gov.au)).

# APPENDIX F: ELECTIONS, BY-ELECTIONS, COUNTBACKS AND POLLS, 2015-16

ELECTION	TYPE	ELECTION DATE	VOTING METHOD	LOCATION	VOTERS
Greater Shepparton City Council	Municipal Countback	06/07/2015	N/A	Shepparton	N/A
Stonnington City Council, East Ward	Municipal Countback	20/07/2015	N/A	Malvern	N/A
Murrindindi Shire Council, Eildon Ward	Municipal By-election	29/08/2015	Postal	Yea	1,877
Murrindindi Shire Council, King Parrot Ward	Municipal By-election	29/08/2015	Postal	Yea	1,964
Lake Tyers Aboriginal Trust Committee of Management	Fee-for-service Election	17/09/2015	Attendance	Toorloo Arm	184
Greater Geelong City Council, Kildare Ward	Municipal By-election	17/10/2015	Postal	Geelong	13,020
Polwarth District Parliamentary By-election	State By-election	31/10/2015	Attendance	Colac	43,856
South-West Coast District Parliamentary By-election	State By-election	31/10/2015	Attendance	Warrnambool	45,331
Indigo Shire Council	Municipal Countback	17/11/2015	N/A	Beechworth	N/A
Borough of Queenscliffe	Municipal Countback	19/11/2015	N/A	Queenscliff	N/A
Victorian Hospitals' Industrial Association Enterprise Agreement	Fee-for-service Election	04/12/2015	Postal	VEC	50,579
Adult Multicultural Education Services (AMES) Australia Enterprise Agreement	Fee-for-service Election	10/12/2015	Postal	VEC	363
East Gippsland Shire Council	Municipal Countback	19/01/2016	N/A	Bairnsdale	N/A
Borough of Queenscliffe	Municipal Countback	01/02/2016	N/A	Queenscliff	N/A
Campaspe Shire Council, Western Ward	Municipal By-election	20/02/2016	Postal	Echcua	3,352
Victoria Police Enterprise Agreement	Fee-for-service Election	29/02/2016	Postal	VEC	14,986
Victorian Canine Association Management Committee	Fee-for-service Election	01/03/2016	Postal	VEC	8,309
Glen Eira City Council, Rosstown Ward	Municipal Countback	06/04/2016	N/A	Caulfield	N/A
Victorian Public Service Enterprise Agreement	Fee-for-service Election	18/04/2016	Postal	VEC	34,113
Monash City Council, Oakleigh Ward	Municipal Countback	23/05/2016	N/A	Glen Waverley	N/A
Monash City Council, Mulgrave Ward	Municipal Countback	14/06/2016	N/A	Glen Waverley	N/A
Victoria Police (Commanders) Enterprise Agreement	Fee-for-service Election	22/06/2016	Postal	VEC	10

# APPENDIX G: ENFORCEMENT OF COMPULSORY VOTING, 2015-16

ELECTION	NOTICE TYPE*	MAILOUT DATE	RECORDS	PENALTIES COLLECTED TO 30 JUNE 2016	INFRINGEMENTS COURT LODGEMENT DATE	NO. OF RECORDS LODGED
Campaspe	1	24 Mar-16	419	N/A		
Western By-election	2	6-May-16	284	\$6,840.00	due to be lodged with council	
20- Feb -16	3	30-June-16	170	\$0.00	6-Nov-16	
Greater Geelong	1	11-Dec-15	2,268	N/A		
Kildare By-election	2	10-Feb-16	1,488	\$40,281.00	due to be lodged with council	
17-Oct-15	3	6-May-16	846	\$10,910.50	10-Aug-16	
Polwarth	1	15-Jan-16	4,348	N/A		
District By-election	2	2-Mar-16	2,839	\$71,585.00	due to be lodged	
31-Oct-15	3	6-May-16	1587	\$28,931.62	2-Sep-16	
South-West Coast	1	15-Jan-16	2,934	N/A		
District By-election	2	2-Mar-16	1,955	\$28,493.00	due to be lodged	
31-Oct-15	3	6-May-16	1,383	\$15,760.50	2-Sep-16	
Murrindindi	1	17-Sep-15	458	N/A		
King Parrot By-election	2	11-Dec-15	300	\$6,992.00		
29-Aug-15	3	10-Feb-16	193	\$4,326.50	15-Apr-16	133
Murrindindi	1	17-Sep-15	164	N/A		
Eildon By-election	2	11-Dec-15	93	\$1,824.00		
29-Aug-15	3	10-Feb-16	62	\$677.00	15-Apr-16	49
Camberwell LLP	1	29-May-15	271	N/A		
(1395 Toorak Road)	2	10-Jul-15	147	\$3,576.50		
11-May-15	3	4-Sep-15	72	\$1,478.00	9-Dec-15	50
Camberwell LLP	1	29-May-15	388	N/A		
(Bollywood Namaste)	2	10-Jul-15	223	\$7,178.00		
11-May-15	3	4-Sep-15	84	\$1,256.00	9-Dec-15	61
Knox	1	20-May-15	2,128	N/A		
Scott By-election	2	3 Jul-15	1,197	\$36,042.00		
25-Apr-15	3	28-Aug-15	576	\$12,238.00	14-Dec-15	393
Gippsland South	1	20-May-15	3,743	N/A		
District By-election	2	3-Jul-15	2,353	\$41,516.00		
14-Mar-15	3	28-Aug-15	1,544	\$26,972.50	9-Dec-15	1,063

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# APPENDIX G: ENFORCEMENT OF COMPULSORY VOTING, 2015-16

(CONTINUED)

ELECTION	NOTICE TYPE*	MAILOUT DATE	RECORDS	PENALTIES COLLECTED TO 30 JUNE 2015	INFRINGEMENTS COURT LODGEMENT DATE	NO. OF RECORDS LODGED
Central Goldfields	1	7-May-15	152	N/A		
Tullaroop By-election	2	26-Jun-15	103	\$2,073.00		
28-Mar-15	3	21-Aug-15	67	\$1,133.00	14-Dec-15	53
Yarra Ranges	1	7-May-15	2,051	N/A		
Lyster By-election	2	26-Jun-15	1,428	\$36,702.06		
28-Mar-15	3	21-Aug-15	856	\$19,452.56	14-Dec-15	586
Ararat Rural City	1	7-May-15	842	N/A		
By-election	2	26-Jun-15	546	\$8,806.00		
28-Mar-15	3	21-Aug-15	395	\$4,901.00	14-Dec-15	310
State Election 2014	1	5,10,12-Mar-15	199,366	N/A		
29-Nov-14	2	1,6 May-15	126,238	\$44,895.00		
	3	10-Jul-15	98,154	\$880,161.43	18-Sep-15	82,782

\* 1 - Apparent Failure to Vote

2 - Infringement

3 - Penalty Reminder

# APPENDIX H: ATTESTATION FOR COMPLIANCE



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, certify that the Victorian Electoral Commission has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Victorian Electoral Commission has risk management processes in place which are consistent with the AS/NZS ISO 31000:2009 and these processes are effective in controlling risk to a satisfactory level; and the Victorian Electoral Commission Audit and Risk Committee verifies this view; and the risk profile has been critically reviewed in the last 12 months.

Warwick Gately AM

Electoral Commissioner

18 August 2016

# APPENDIX I: REGISTERED POLITICAL PARTIES, 30 JUNE 2016

POLITICAL PARTY	REGISTERED OFFICER	ADDRESS
Animal Justice Party	Mr Brenton Edgecombe Secretary	PO Box 6193 Vermont South Vic. 3133
Australian Christians	Mr Spero Katos Secretary	PO Box 258 Croydon Vic. 3136
Australian Country Party	Mr Darren Cooper Secretary	PO Box 108 Golden Square Vic. 3555
Australian Cyclists Party	Mr Omar Khalifa President	PO Box 460 Berry NSW 2535
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 Labour Party (DLP)	Ms Clara Geoghegan State Secretary	GPO Box 1402 Melbourne Vic. 3001
Liberal Democratic Party	Mr Tim Wilms Treasurer	PO Box 2244 Bittern Vic. 3918
Liberal Party of Australia - Victorian Division	Mr Simon Frost State Director	104 Exhibition Street Melbourne Vic. 3000
National Party of Australia - Victoria	Ms Sally Branson State Director	Level 5, 30 Collins Street Melbourne Vic. 3000
People Power Victoria - No Smart Meters	Mr Greg Jones Registered Officer	PO Box 460 Carnegie Vic. 3163
Rise Up Australia Party	Ms Yvonne Gentle State President	PO Box 1100 Pearcedale Vic. 3912
Shooters and Fishers Party Victoria	Ms Nicole Bourman Secretary	PO Box 92 Moorabbin Vic. 3189
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
Voluntary Euthanasia Party (Victoria)	Ms Bertha Franklin Secretary	PO Box 2106 Oak Park Vic. 3046
Vote 1 Local Jobs	Mr James Purcell Leader	PO Box 46 Port Fairy Vic. 3284

# APPENDIX J: ELECTOR STATISTICS BY REGION, 30 JUNE 2016

Below are the elector statistics by region for 2015-16.

Total number of electorates: 8

Total number of electors: 3,941,930

Average number of electors: 492,741

REGION	ELECTOR COUNT	VARIANCE TO AVERAGE (%)
Eastern Metropolitan	468,816	-4.86
Eastern Victoria	499,025	1.28
Northern Metropolitan	502,191	1.92
Northern Victoria	496,306	0.72
South-Eastern Metropolitan	489,016	-0.76
Southern Metropolitan	477,910	-3.01
Western Metropolitan	514,038	4.32
Western Victoria	494,628	0.38

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# APPENDIX K: ELECTOR STATISTICS BY DISTRICT, 30 JUNE 2016

Below are the elector statistics by district for 2015-16.

Total number of electorates: 88

Total number of electors: 3,941,930

Average number of electors: 44,794

AREA NAME	ELECTOR COUNT	VARIANCE TO AVERAGE (%)	AREA NAME	ELECTOR COUNT	VARIANCE TO AVERAGE (%)
Albert Park	45,690	2.00	Gembrook	45,572	1.74
Altona	50,832	13.48	Gippsland East	44,136	-1.47
Bass	48,542	8.37	Gippsland South	40,945	-8.59
Bayswater	43,425	-3.06	Hastings	49,120	9.66
Bellarine	45,174	0.85	Hawthorn	43,577	-2.72
Benambra	45,792	2.23	Ivanhoe	45,217	0.94
Bendigo East	45,799	2.24	Kew	44,109	-1.53
Bendigo West	43,605	-2.65	Keysborough	43,931	-1.93
Bentleigh	41,617	-7.09	Kororoit	48,382	8.01
Box Hill	43,822	-2.17	Lara	44,362	-0.96
Brighton	44,222	-1.28	Lowan	42,883	-4.27
Broadmeadows	42,274	-5.63	Macedon	43,050	-3.89
Brunswick	49,519	10.55	Malvern	41,462	-7.44
Bulleen	44,062	-1.63	Melbourne	46,839	4.57
Bundoora	40,101	-10.48	Melton	48,070	7.31
Buninyong	42,366	-5.42	Mildura	42,943	-4.13
Burwood	42,392	-5.36	Mill Park	44,684	-0.25
Carrum	46,422	3.63	Monbulk	42,538	-5.04
Caulfield	43,678	-2.49	Mordialloc	44,862	0.15
Clarinda	44,291	-1.12	Mornington	45,305	1.14
Cranbourne	52,466	17.13	Morwell	46,224	3.19
Croydon	42,057	-6.11	Mount Waverley	39,538	-11.73
Dandenong	41,931	-6.39	Mulgrave	40,980	-8.51
Eildon	42,900	-4.23	Murray Plains	45,804	2.25
Eltham	44,730	-0.14	Narracan	48,301	7.83
Essendon	45,880	2.42	Narre Warren North	44,110	-1.53
Euroa	47,157	5.28	Narre Warren South	47,721	6.53
Evelyn	41,444	-7.48	Nepean	46,898	4.70
Ferntree Gully	40,943	-8.60	Niddrie	43,636	-2.59
Footscray	48,146	7.48	Northcote	46,510	3.83
Forest Hill	40,596	-9.37	Oakleigh	40,718	-9.10
Frankston	42,884	-4.26	Ovens Valley	42,000	-6.24
Geelong	45,860	2.38	Pascoe Vale	47,682	6.45



AREA NAME	ELECTOR COUNT	VARIANCE TO AVERAGE (%)
Polwarth	44,338	-1.02
Prahran	47,251	5.49
Preston	43,429	-3.05
Richmond	50,486	12.71
Ringwood	41,072	-8.31
Ripon	46,008	2.71
Rowville	39,418	-12.00
Sandringham	43,194	-3.57
Shepparton	46,950	4.81
South Barwon	48,281	7.78
South-West Coast	45,858	2.38
St Albans	46,468	3.74
Sunbury	43,206	-3.55
Sydenham	47,875	6.88
Tarneit	47,824	6.76
Thomastown	41,987	-6.27
Warrandyte	43,354	-3.21
Wendouree	41,428	-7.51
Werribee	43,115	-3.75
Williamstown	48,674	8.66
Yan Yean	50,306	12.31
Yuroke	48,680	8.68

# APPENDIX L: ENROLMENT TRANSACTIONS, 2011-12 TO 2015-16

<b>VEC ENROLMENT TRANSACTIONS<sup>1</sup></b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
State direct enrolment activity	36,988	112,499	246,362	257,972	191,849
VEC online enrolment	-	-	-	41,262	11,138
VEC enrolment forms received	100,162	79,915	40,892	90,781	31,339
Total enrolment transactions through VEC's enrolment programs	137,150	192,414	287,254	390,015	234,326
<b>ENROLMENT APPLICATION TRANSACTIONS PROVIDED BY THE AEC AND IMPORTED INTO VICTORIAN REGISTER OF ELECTORS</b>					
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<i>Additions</i>					
New to roll	101,759	115,729	130,931	102,224	129,296
Reinstatements	24,071	79,416	67,246	51,311	41,927
<i>Subtotal</i>	<i>125,830</i>	<i>195,145</i>	<i>198,177</i>	<i>153,535</i>	<i>171,223</i>
<b>Changes</b>					
Change of address	260,883	409,062	558,763	478,409	518,439
<b>Total AEC Import Transactions</b>	<b>386,713</b>	<b>604,207</b>	<b>756,940</b>	<b>631,944</b>	<b>689,662</b>
<b>Total VEC Sourced Transactions</b>	<b>137,150</b>	<b>192,414</b>	<b>287,254</b>	<b>390,015</b>	<b>234,326</b>
<b>Total collected through AEC's enrolment programs</b>	<b>249,563</b>	<b>411,793</b>	<b>469,686</b>	<b>241,929</b>	<b>455,336</b>
VEC sourced enrolments as a percentage of the total	35.47%	31.85%	37.95%	61.72%	33.98%
<b>OTHER ENROLMENT-RELATED TRANSACTIONS<sup>2</sup></b>					
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Special category applications	1,534	3,429	1,297	4,026	2,135
Non-application changes	23,618	106,348	13,469	57,836	6,269
Subtotal	25,152	109,777	14,766	61,862	8,404
<b>TOTAL VEC enrolment transactions</b>	<b>162,302</b>	<b>302,191</b>	<b>302,020</b>	<b>451,877</b>	<b>242,730</b>

<sup>1</sup> The VEC undertakes direct enrolment using a number of data sources, including VicRoads and the AEC. This allows the VEC to both update details and enrol electors for the first time without requiring a form to be completed. Where the VEC is unable to verify a person's eligibility to enrol, a paper form is sent to them. Electors may enrol for the first time, or update their enrolment details using the VEC Online Enrolment Service, however, when an elector prefers to use a paper form they are able to do so and can access forms from a number of sources including, Australia Post Offices, the VEC website and council offices. In addition, the VEC provides forms to all students as they turn 17, using data received from the Victorian Curriculum and Assessment Authority so that they may provisionally enrol.

<sup>2</sup> Special category applications received by the VEC include; applications to become General Postal Voters (GPV), Silent Electors and Itinerant or Eligible Overseas Electors. Some of these transactions are processed by the VEC and some are passed to the AEC for completion under the Commonwealth Electoral Act. Non-application changes include administrative changes made to ensure the integrity and accuracy of the electoral register and the processing of return to sender mail.

# APPENDIX M: ENVIRONMENTAL SUSTAINABILITY REPORT

The VEC Resource Smart Committee (RSC), now in its eighth year of activity, continued in its role exploring and overseeing environmental efficiency gains, reductions in resource consumption, and improvements in waste management.

During the period RSC members commenced a review and update of the Environmental Management Plan aiming for endorsement early in the new financial year. The committee also took part in WasteWise Melbourne Network (WWMN) events on waste management for which VEC has gained Gold Accreditation. An 18 month forward-planning session was undertaken during the last quarter of 2015 to identify a program of events for VEC staff.

The RSC continue to use the special branded “GreenFlash” email to promote ideas and reminders to the organisation, as well as regularly updated “tips & tricks”. The committee also continue to present short humorous presentations at staff meetings.

The RSC continued with the highly successful system for collecting soft-plastic bags via custom bins in all head office staff kitchens, capturing them before land fill and returning them to the recycling chain.

For some time the VEC has been making environmentally sustainable changes across all operations. These have reflected and affected operations in other jurisdictions. Collaborative environmentally sustainable strategies, which deliver efficiency and cost savings, have included device sharing arrangements between electoral commissions and the introduction of electronic records management at the VEC, which is beginning to show reward by way of a reduction in the amount of paper printed for hardcopy filing.

Some other initiatives underway at the VEC:

- a review of resource requirements for the October 2016 local government elections has identified an almost 50% reduction in the number of reams of paper that will be purchased, distributed and used during the elections.
- the work of the VEC’s RSC, its goals and its achievements as well as the VEC policies toward the environment will be made part of the new employee induction process. New employees will be provided with a kit containing information regarding the VEC’s sustainability activities and a ResourceSmart branded keep cup
- a clothing drive where staff members can recycle office wear in good condition to be donated to groups working with people returning to the workforce who may not be financially able to purchase office wear and
- work continues to provide 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.

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# APPENDIX N: REPORT OF THE ELECTORAL BOUNDARIES COMMISSION 2015-16

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 2015-16 were:

- The Honourable Justice Peter Kidd, Chief Judge of the County Court of Victoria (Chairman), who was appointed to the Court on 28 September 2015;
- 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.

EBC files are maintained at the VEC's head office at Level 11, 530 Collins Street, Melbourne, separate from the VEC registry.

No meetings of the EBC were required during 2015-16.



Electoral Boundaries  
Commission

# 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 INTENTS

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

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# APPENDIX O: STRATEGIC PLAN 2013-14 TO 2017-18, STATUS REPORT (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. Ongoing review will be part of annual branch plans for 2016-17
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 2014-15 and completed 2015-16

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 2014-15 and 2015-16. Ongoing review will be part of annual branch plans for 2016-17
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 2014-15 and 2015-16. Ongoing review will be part of annual branch plans for 2016-17

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</li> <li>Enrolment, turnout and informality rates inform success</li> </ul>	Completed 2014-2015. Framework implementation in progress

ENABLER		STRONG AND EFFECTIVE PARTNERSHIPS
Strategic initiatives	Success indicators	Status
7. Identify and engage key partners	• Partnerships contribute to the achievement of VEC objectives	Final phase completed 2015-16
8. Establish robust and resilient partnering arrangements		Completed 2015-16. Ongoing review part of annual branch plans for 2016-17
ENABLER		CONTEMPORARY INNOVATIVE SERVICES DELIVERED EFFECTIVELY
Strategic initiatives	Success indicators	Status
9. Identify, encourage and facilitate service and product improvements	• VEC services represent best practice • VEC services respond to community requirements and expectations	Focus in 2015-16 - Ongoing
10. Identify and engage relevant stakeholders	• VEC stakeholder engagement objectives are met	Completed 2015-16. Ongoing review part of annual branch plans for 2016-17

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# APPENDIX O: STRATEGIC PLAN 2013-14 TO 2017-18, STATUS REPORT (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 and processes are efficient and effective</li> <li>• Consistent business methodologies are applied</li> <li>• VEC internal and external reporting framework meets legislative and organisational requirements</li> </ul>	Commenced 2013-14 tools and framework delivered 2015-16
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> <li>• Corporate knowledge is accessible</li> <li>• Corporate data is maintained and accessed in accordance with legislative requirements</li> </ul>	Commenced in 2015-16 – further work scheduled 2016-17
13. Develop and implement a VEC Project Management Framework		Completed 2013-14. Evaluation and review completed 2014-15. Ongoing review part of annual branch plans for 2016-17
14. Develop and implement a VEC Corporate Reporting Framework		Development completed 2014-15 Implementation 2015-16
15. Develop and implement an Information Management System		New initiative from Strategic Plan review in May 2016. Scheduled 2016-17

ENABLER		EFFECTIVE MANAGEMENT OF RESOURCES
Strategic initiatives	Success indicators	Status
16. Further develop the VEC's Risk Management Framework	<ul style="list-style-type: none"> <li>• Risk management is integrated into all business operations and managed in accordance with government requirements</li> </ul>	New initiative from Strategic Plan review in May 2016. Scheduled 2016-17
17. Develop and implement an effective workforce and succession planning	<ul style="list-style-type: none"> <li>• Staff levels are appropriate and flexible to needs</li> <li>• Critical business roles are identified with succession plans in place</li> </ul>	Scheduled 2016-17
18. Review and implement an effective business planning and 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 VEC's environmental footprint	<ul style="list-style-type: none"> <li>• Environmental management targets are achieved</li> </ul>	Completed 2015-16. Ongoing review part of annual branch plans for 2016-17



### 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 Program reviewed and updated in response to feedback 2014-15	
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> <li>Core competency training delivered to staff where there is an identified need</li> </ul>	Implemented 2014-15. Ongoing review part of annual branch plans for 2016-17	
22. Develop and implement targeted organisation-wide training and development	<ul style="list-style-type: none"> <li>Staff satisfaction targets are met</li> </ul>	Learning management system established 2015-16. Ongoing review part of annual branch plans for 2016-17	
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>	Completed 2015-16	
24. Develop and implement a workplace diversity and inclusion strategy	<ul style="list-style-type: none"> <li>Diversity is recognised, encouraged and respected</li> </ul>	Scheduled 2016-17	

# APPENDIX O: STRATEGIC PLAN 2013-14 TO 2017-18, STATUS REPORT (CONTINUED)

ENABLER		EFFECTIVE SKILL, INFORMATION AND KNOWLEDGE TRANSFER
Strategic initiatives	Success indicators	Status
25. Create ways to share knowledge and experiences	<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>	Commenced 2015-16. Ongoing development 2016-17
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>	Commenced 2015-16. Ongoing development 2016-17
ENABLER		VEC OPERATING MODEL IS FIT FOR BUSINESS
Strategic initiatives	Success indicators	Status
27. Review current operating model and respond accordingly	<ul style="list-style-type: none"> <li>• VEC operating model is fit for purpose</li> </ul>	Scheduled for 2016-17

# 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.

## **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 45,000 electors.

## **Election**

An event at which electors choose their representatives.

## **Election date**

The legislated date of the election.

## **Election Manager**

A person appointed by the Electoral Commissioner to conduct an election for an electoral district or region.

## **Elector**

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 seven 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.

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**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.

**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 vote**

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. A vote is cast 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 496,000 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.

**Resource Smart Committee (RSC)**

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 conducts local government elections, and commercial and community elections. The VEC also conducts boundary reviews and electoral research, maintains the Victorian electoral enrolment register and provides education services.

**Voter**

An elector who votes in an election.

**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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