

Annual report

NSW Electoral Commission
2020–21

The Hon. Dominic Perrottet, MP
Premier
52 Martin Place
SYDNEY NSW 2000

The Hon. D T Harwin, MLC
Special Minister of State
Minister for Public
Service and Employee Relations, Aboriginal
Affairs, and the Arts
52 Martin Place
SYDNEY NSW 2000

29 October 2021

Dear Premier and Minister

Annual report of the NSW Electoral Commission

We are pleased to submit our Annual report for the financial year ended 30 June 2021 for presentation to Parliament.

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

The report details our election operations and activities, including elections and services provided to registered clubs, statutory boards and industrial organisations. We also report our progress on our strategic initiatives.

In accordance with section 154 of the *Electoral Funding Act 2018*, a report in relation to the activities under that Act of the Electoral Commission for the financial year 2020–21 has been submitted directly to Parliament. That report is reproduced in this report at Annexure A.

Yours sincerely,



John Schmidt
**Electoral Commissioner for
New South Wales**



The Hon Keith Mason AC QC
**Chairperson,
NSW Electoral Commission**

Contents

Section 1

The Electoral Commission

From the Chairperson of the Electoral Commission	4
Report of the Electoral Commissioner	5
The NSW Electoral Commission	6
Members of the NSW Electoral Commission	8
Management and structure	9
2020–21 at a glance	10
Legislative change	11
Inquiries, reviews and reports	12

Section 2

Strategic plan and initiatives

Our strategy: Democracy delivered	16
Our work	17
Our 2021–24 strategic plan	18
Initiatives for 2020–21	20
Democracy Day	25
Communicating new political donation legislation	26
Redistribution of electoral districts	27

Section 3

People and governance

Office relocation	33
Our people and work environment	34
Governance, risk management and audit	38
Internal audit and risk management policy attestation	42
Cyber security policy attestation	44
Privacy and accessing information	45

Section 4

Elections and regulation

Conducting elections	52
Registration of political parties	54
Litigation	56

Section 5

Financial performance

Financial position	60
Statement by the Electoral Commissioner	62
Independent Auditor's Report	63
Statement of comprehensive income	66
Statement of financial position	67
Statement of changes in equity	68
Statement of cash flows	69
Notes to the financial statements	70

Section 6

References

Index to NSW Treasury annual report requirements	100
General index	102
Glossary	104

Annexure A

Annexure A	107
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The NSW Electoral Commission acknowledges the traditional owners of Country throughout New South Wales and their continuing connection to the land, sea and community. We pay our respect to Elders past, present and emerging.

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

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1

The Electoral Commission

From the Chairperson of the Electoral Commission	4
Report of the Electoral Commissioner	5
The NSW Electoral Commission	6
Members of the NSW Electoral Commission	8
Management and structure	9
2020–21 at a glance	10
Legislative change	11
Inquiries, reviews and reports	12

From the Chairperson of the Electoral Commission



I am pleased to present the NSW Electoral Commission's Annual report for 2020–21. The report sets out the work undertaken by the three-member Electoral Commission, the Electoral Commissioner and the NSW Electoral Commission Public Sector staff agency over the past financial year.

This year, the three-member Electoral Commission has tabled a report under section 154 of the *Electoral Funding Act 2018* about its work and activities. This is a decision that was taken by the Electoral Commission both to meet the statutory deadline for tabling the section 154 report (which does not align precisely to deadlines for tabling the agency annual reports), as well as to highlight the independent role of the Electoral Commission in regulating participants in NSW electoral and political processes. To present a comprehensive view of the activities of the NSW Electoral Commission as a whole, this report is included here at [Annexure A](#).

November 2021 sees the end of my term as Chairperson of the Electoral Commission. I congratulate the NSW Electoral Commission's dedicated staff for their hard work in the diligent and skilful management of the ongoing challenges. I also thank my fellow members Len Scanlan and John Schmidt, as well as my Deputy as Chairperson, the Hon Joseph Campbell QC, for their commitment, support and effort in ensuring that the NSW Electoral Commission continues to deliver trusted and independent systems, processes, oversight and engagement that support democracy in New South Wales.

I am proud to have been the Chairperson of the Electoral Commission since the Commission was constituted in 2014 and I wish the NSW Electoral Commission well in this vital work in the years ahead.

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

The Hon Keith Mason, AC QC
Chairperson

(See [From the Chairperson of the Electoral Commission on page 2](#) of Annexure A for the full version).

Report of the Electoral Commissioner



COVID-19 continued to shape almost every aspect of the NSW Electoral Commission's operations during 2020–21. Notwithstanding the impacts of the pandemic, we continued to carry out the full range of our legislated functions and responsibilities over the period, including:

- preparations for the Local Government elections – originally set for 12 September 2020, in response to COVID-19 these elections were initially postponed to 4 September 2021 and then to 4 December 2021
- conducting the Upper Hunter state by-election and elections for statutory bodies, service clubs and industrial organisations
- supporting the work of the Electoral Districts Redistribution Panel in conducting the New South Wales state electoral districts redistribution
- participation in the Interjurisdictional Working Group on Electoral Integrity and Security
- progressing our digital transformation, with the enhancement of our corporate website, delivery of an online disclosure system for political participants, and the development of our online nominations system for local government elections
- decommissioning our former Kent Street head office and moving to new premises in Elizabeth Street
- delivery of stakeholder education about new political donations rules, online disclosures, and the Local Government elections.

Throughout the year I continued to raise my concerns regarding the sustainability and suitability of the current funding model for the NSW Electoral Commission and the impact of that model on our ability to discharge our legislative responsibilities. Heading into a new financial year those concerns remain unabated.

In last year's *Annual report* I commended my colleagues for their resilience and ability to continue to deliver our operations and remain engaged in a changing and challenging environment. I can only repeat that commendation and express my ongoing admiration and appreciation to everyone for their hard work over the past 12 months in continuing to deliver democracy in New South Wales.

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

John Schmidt
Electoral Commissioner for New South Wales

The NSW Electoral Commission

Establishment

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

Under the *Electoral Funding Act 2018*, the three-member Electoral Commission has the function of administering the election funding, expenditure and disclosure scheme, including registering electoral participants for the purposes of that scheme. It also enforces breaches of electoral legislation in relation to both electoral funding and the conduct of elections, including elections held under the *Local Government Act 1993*. Under the *Lobbying of Government Officials Act 2011*, the Electoral Commission has the function of maintaining the Register of Third-Party Lobbyists and Lobbyists Watch List, and the enforcement of obligations relating to lobbying. The activities carried out with regards to these functions have been reported separately to Parliament as per section 154 of the *Electoral Funding Act 2018*. (See [Annexure A](#)).

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

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

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

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

Relationship to Parliament

As a public sector agency, the NSW Electoral Commission is required to report to Parliament on its work and activities. In addition, the Parliament’s Joint Standing Committee on Electoral Matters (JSCEM) enquires into, and reports on, electoral laws and practices and the spending and public funding of political parties. Section 154 of the *Electoral Funding Act 2018* requires the Electoral Commission to report directly to Parliament annually on its activities under the Act. For the first time this year, the section 154 report to Parliament will be tabled by Electoral Commission prior to, and separately from, this annual report. This change supports meeting the statutory deadline for tabling in Parliament set out in section 154 (which is different by one month to agency annual reporting deadlines).

In the exercise of their functions, neither the Electoral Commission nor the Electoral Commissioner are subject to the direction of any Minister administering New South Wales electoral legislation. This independence from executive government is set out in sections 10(4) and 12(4) of the *Electoral Act 2017*.

Our legislative framework

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

- *Constitution Act 1902*
- *Electoral Act 2017*
- *Electoral Regulation 2017*
- *Electoral Funding Act 2018*
- *Electoral Funding Regulation 2018*
- *Local Government Act 1993*
- *Local Government (General) Regulation 2021*
- *The City of Sydney Act 1988*
- *Registered Clubs Act 1976*
- *Industrial Relations Act 1996*
- *Aboriginal Land Rights Act 1983*
- *Aboriginal Land Rights Regulation 2020*
- *Privacy and Personal Information Protection Act 1998*
- *Government Information (Public Access) Act 2009*
- *Government Sector Finance Act 2018*
- *Government Sector Employment Act 2013*
- *Lobbying of Government Officials Act 2011*
- *Lobbying of Government Official (Lobbyist Code of Conduct) Regulation 2014.*

What we do

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

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

Members of the NSW Electoral Commission



Hon Keith Mason

AC QC BA LLB LLM

Chairperson

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



Len Scanlan

BBus BA M PubAd FAICD

Member

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



John Schmidt

BALLBMA

Electoral Commissioner

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



The Hon Joseph Campbell QC

Deputy to the Chairperson

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

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

Photograph: Jason McCormack/The LSJ.

Management and structure

as at 30 June 2021



2020–21 at a glance



Funding and Disclosure Online launched



Elector enrolment
at June 2021
5,385,535



Nominations Online
Management
implemented for the
Local Government
elections



785
candidates, groups, and
third-party campaigners
registered



18 elections
conducted for statutory
bodies, service clubs and
industrial organisations



12%
increase in third-
party lobbyists
registered



5,000
disclosures published



One state
by-election
conducted



\$14.5
million paid in
public funding



8,500
compliance audits completed



Redistribution of
NSW state electoral
districts initiated

Legislative change

Local government elections: *Local Government Act 1993*

In May 2021, the *Local Government Amendment Act 2021* amended the *Local Government Act 1993* to

- provide greater flexibility about who can be the returning officer for a countback election, and
- allow the time in which a postal vote may be received to be prescribed by regulation.

After the reporting period, the *Local Government (General) Regulation 2005* prescribed the time in which a postal vote may be received to be 6pm on the thirteenth day following the election day, rather than on the first business day as the Act previously provided. This is equivalent to postal voting arrangements for federal elections.

Local government elections: *Local Government (General) Regulation 2005*

In September 2020, amendments to the *Local Government (General) Regulation 2005* made by the *Local Government (General) Amendment (Elections) Regulation 2018* completed the implementation of the Weighted Inclusive Gregory method of counting votes which will be used at the 2021 Local Government elections.

Local government elections: *Electoral Legislation Amendment (Local Government Elections) Act 2021*

The *Electoral Legislation Amendment (Local Government Elections) Act 2021* passed the NSW Parliament in June 2021, introducing the option from 1 July 2021 for a party agent to become the person responsible for the party's endorsed candidates under electoral funding legislation.

Aboriginal Land Council elections: *Aboriginal Land Rights Regulation 2020*

In August 2020, the *Aboriginal Land Rights Regulation 2020* was remade under the *Aboriginal Land Rights Act 1983* following the scheduled repeal of the *Aboriginal Land Rights Regulation 2014*. Further changes were made to improve the efficiency of election processes and bring provisions into line with state and local government election practices, including for declaration voting and the appointment of polling places.

Corporate governance: *Government Sector Finance Amendment (Delegations) Regulation 2021*

On 1 April 2021, amendments were made to the *Government Sector Finance Regulation 2018* to prescribe certain entities, including the Electoral Commission, as entities to which delegations and sub-delegations may be made, under the *Government Sector Finance Act 2018*, for the purposes of delegating expenditure functions. The Electoral Commissioner was prescribed as an entity to which the Electoral Commission could sub-delegate expenditure functions.

Inquiries, reviews and reports

During 2020–21, the Electoral Commissioner participated, via formal submissions and appearances in person, in three major external reviews, namely:

- the Joint Standing Committee on Electoral Matters (JSCEM) inquiry into the *Administration of the 2019 NSW State Election*
- the Public Accountability Committee's inquiry into the *Budget process for independent oversight bodies and the Parliament of New South Wales*
- the Auditor General's examination *The effectiveness of the financial arrangements and management practices in four integrity agencies*, including the Electoral Commission.

The Electoral Commissioner also appeared before the NSW Parliament's Portfolio Committee No. 1 – Premier and Finance (Budget Estimates).

As noted in the Electoral Commissioner's evidence, the Electoral Commission continues to face a resourcing crisis with a funding model that has failed to keep pace with maintaining both our current operations and our expanding remit.

On behalf of the Electoral Commission, the Electoral Commissioner has advocated for the establishment of a more sustainable and independent funding model for the agency. In this context a number of issues have been highlighted, including:

- The importance of the Electoral Commission being funded in a way that supports its independence.
- The unsustainable basis of the current funding model. The Electoral Commission is still largely funded to deliver major election events, which does not reflect the scope of its ongoing regulatory responsibilities and operations, nor its responsibility for implementing sound public sector governance practices and safeguarding the electoral process from information security, including cyber, threats.
- The inadequacy of the annual State budget process for the Electoral Commission. The Electoral Commissioner has highlighted the limited capacity of the Electoral Commission to have input into, and visibility of, funding decisions made during the annual State budget process; and the impact of whole-of-government savings measures and efficiency dividends on small agencies.

- The fragility of both our workforce and information technology systems. An externally commissioned review commented that this fragility as it applies to staffing...

"...[it] drives inefficiencies: in salaries and wages spend, in work and initiative discontinuities, in hiring and engagement processes and in the lack of investment in training and upskilling. This fragility presents a risk management issue for the NSW Electoral Commission and calls into question the sustainability of the organisation over the longer term."

With regard to the JSCEM inquiry, the *Administration of the 2019 NSW State Election*, the Electoral Commission's ability to implement the recommendations for the 2023 State election contained in the JSCEM's final report is contingent on adequate resources being available. The Electoral Commissioner has also noted that the ability to implement recommendations will now be constrained by the shortened period between the 2021 Local Government elections and the 2023 State election. (The Local Government elections were postponed from 12 September 2020 to 4 September 2021 and again to 4 December 2021 in response to the COVID-19 pandemic). This shortened runway for planning and development significantly limits changes that can be safely made to the Electoral Commission's highly bespoke and aging information technology systems, even if additional funding were to be made available.

The Electoral Commission is continuing to seek approval from government for urgent and major investments in information technology and human resources to address the immediate risks that have been identified. For the longer term, however, the Electoral Commission remains supportive of a new model that will deliver transparent and sustainable investment in the administration of the NSW electoral system. The recent inquiries and reviews have provided many worthwhile suggestions for consideration. The Public Accountability Committee's final report into the *Budget process for independent oversight bodies and the Parliament of NSW*, tabled in NSW Parliament on 5 February 2021, for example, made the following recommendation with regard to our ongoing funding:

“That the NSW Independent Commission Against Corruption, the Law Enforcement Conduct Commission, the NSW Ombudsman and the NSW Electoral Commission be directly allocated their annual funding through the Appropriation legislation, rather than the funding being allocated to the relevant Minister, so they are not subject to reductions in funding during the financial year.”

The report also reiterated the risk to the delivery and regulation of democratic processes through continued budget shortfalls as detailed in the NSW Auditor-General's special report into *The effectiveness of the financial arrangements and management practices of four integrity agencies*:

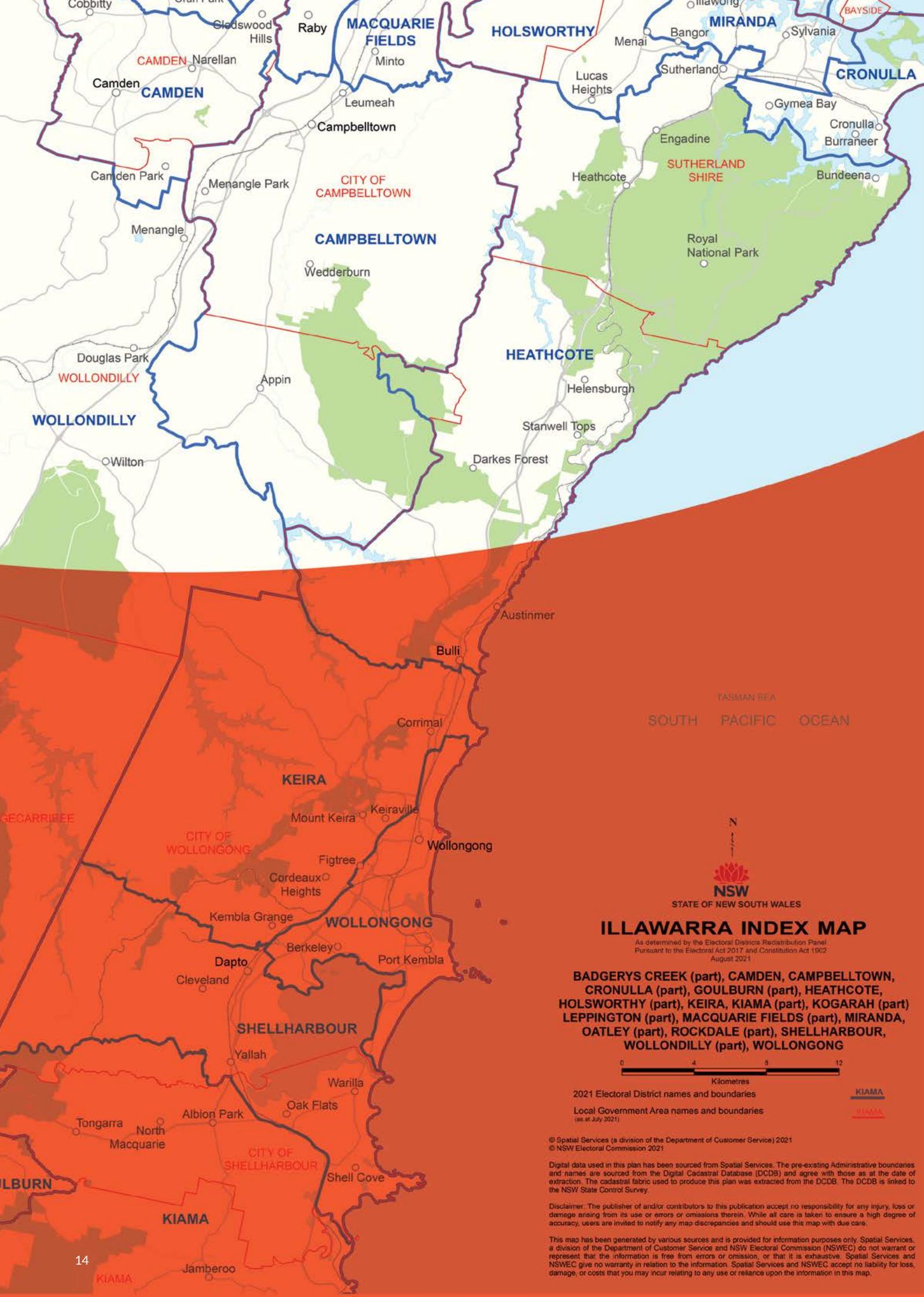
“The Electoral Commission has not received the full funding amount it has requested in recent years. The conduct of elections is a key element of the democratic system and underfunding this function could have serious consequences.”

The Auditor-General's report also found that:

“...the current approach to determining and administering annual funding for the integrity agencies [including the NSW Electoral Commission] presents threats to their independent status... Specific mechanisms that present threats to the independence of the integrity agencies include the absence of transparency in decisions about funding for the integrity agencies, the means of applying efficiency dividends and budget savings and reform measures, the process of providing additional funding from the Department of Premier and Cabinet (DPC) to the integrity agencies, and requests for the integrity agencies to report to DPC on their activities and outcomes.”

We look forward to working with the NSW Parliament and the NSW Government to develop a more sustainable and appropriate funding regime going forward; and new budget processes that are designed to strengthen the integrity of the public administration.

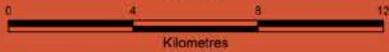
All Committee and Government response reports are available on the [NSW Parliament's website](#).



ILLAWARRA INDEX MAP

As determined by the Electoral Districts Redistribution Panel Pursuant to the Electoral Act 2017 and Constitution Act 1902 August 2021

BADGERYS CREEK (part), CAMDEN, CAMPBELLTOWN, CRONULLA (part), GOULBURN (part), HEATHCOTE, HOLSWORTHY (part), KEIRA, KIAMA (part), KOGARAH (part), LEPPINGTON (part), MACQUARIE FIELDS (part), MIRANDA, OATLEY (part), ROCKDALE (part), SHELLHARBOUR, WOLLONDILLY (part), WOLLONGONG



2021 Electoral District names and boundaries

Local Government Area names and boundaries (as at July 2021)



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© NSW Electoral Commission 2021

Digital data used in this plan has been sourced from Spatial Services. The pre-existing Administrative boundaries and names are sourced from the Digital Cadastral Database (DCDB) and agree with those as at the date of extraction. The cadastral fabric used to produce this plan was extracted from the DCDB. The DCDB is linked to the NSW State Control Survey.

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2

Strategic plan and initiatives

Our strategy: Democracy delivered	16
Our work	17
Our 2021–24 strategic plan	18
Initiatives for 2020–21	20
Stakeholder engagement	22
Democracy Day	25
Communicating new political donation legislation	26
Redistribution of electoral districts	27

Our strategy: Democracy delivered

Purpose

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

Vision

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

Values

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

Behaviours

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

Responsive

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

Transparent

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

Solution focused

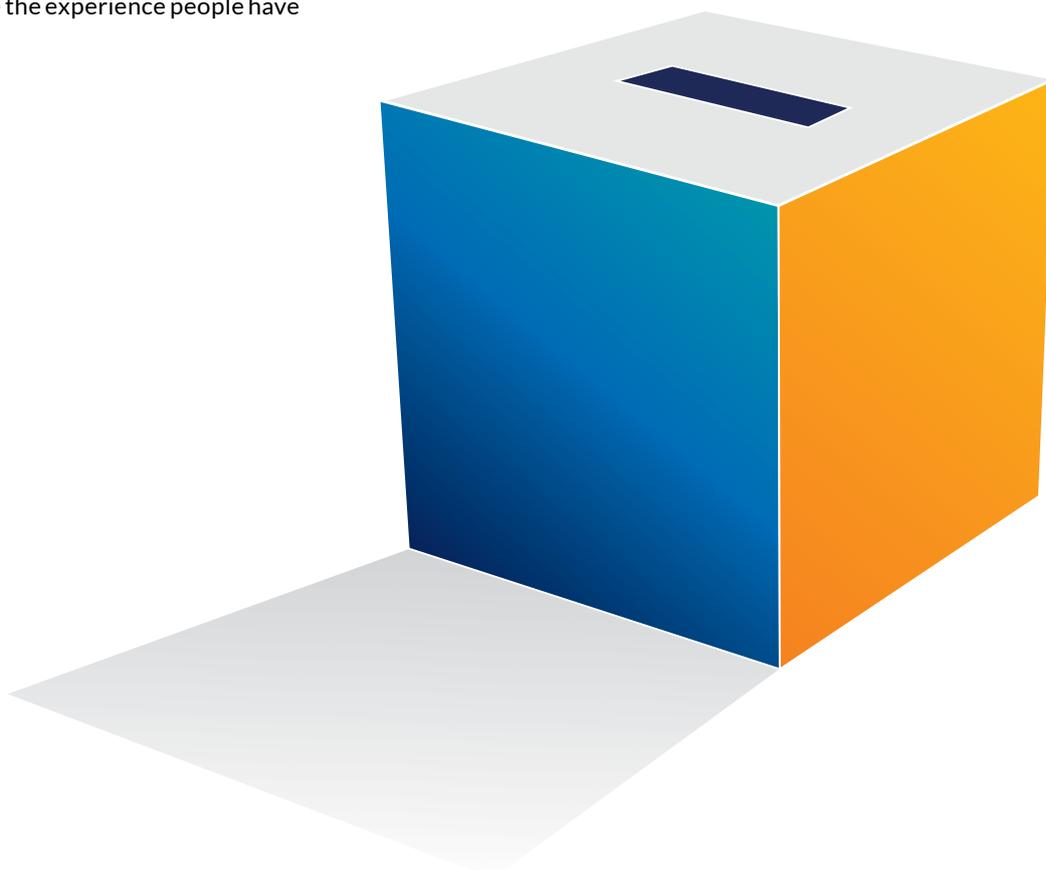
We are focused on outcomes and delivering on our shared goals. We move quickly beyond identifying a problem to working out how best to solve it, while keeping our strategic goals top of mind.

Customer centred

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

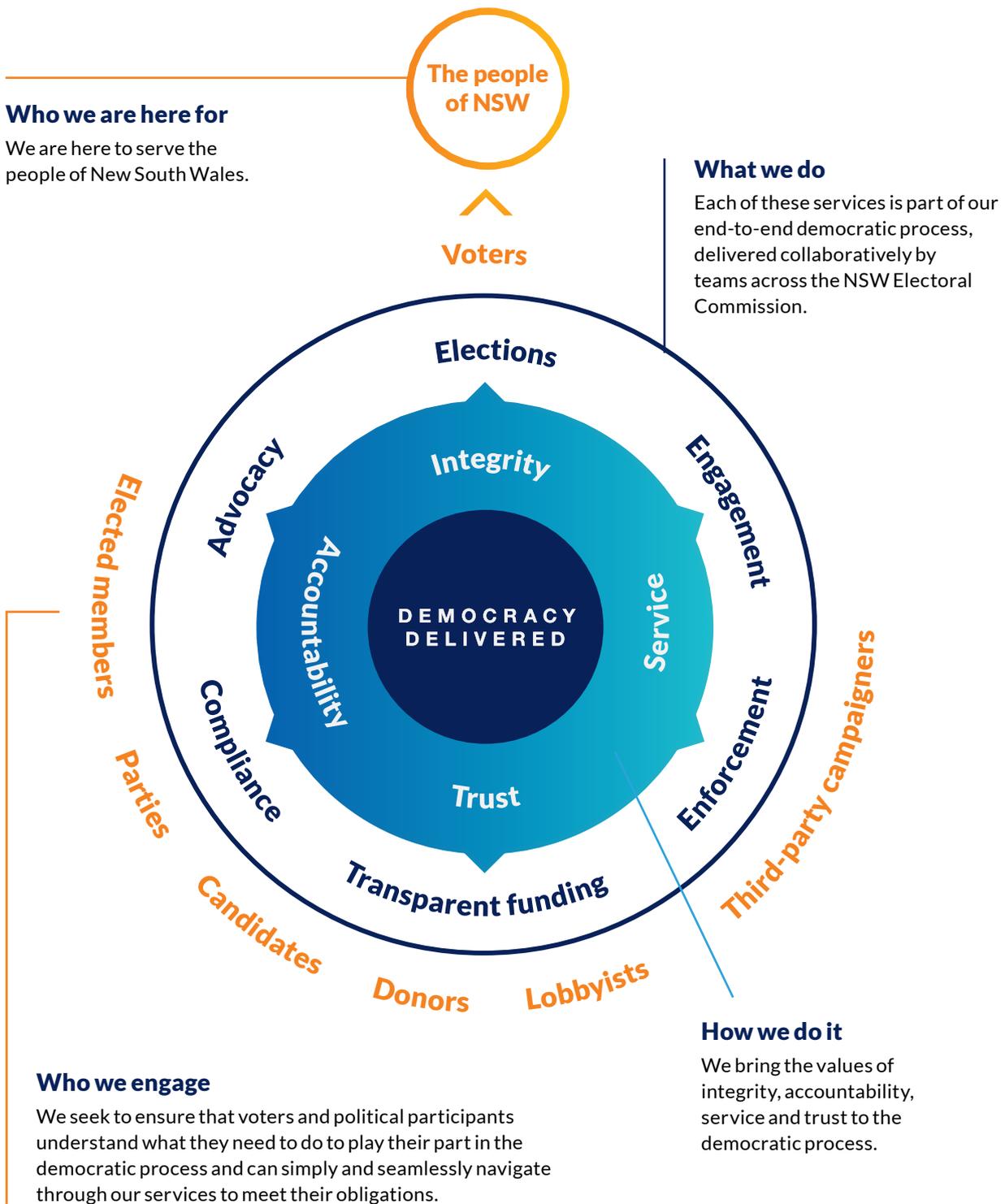
Collaborative

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



Our work

The Electoral Commission is responsible for maintaining and operating fundamental electoral infrastructure that supports the functioning of democracy in New South Wales. Democracy relies on systems and processes of representation, regulation and engagement. Without these, we could not enjoy the benefits of free and fair elections in an open and effective democracy.



Our 2021–24 strategic plan



Developing our strategic plan

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

This strategic plan is the next step in our organisational maturity. It informs our annual work programs and supports us to maintain focus on the bigger picture as we execute our day-to-day operations with integrity, commitment and excellence. The plan explains what we hope to achieve over the next four years and why, to make the biggest contribution to achieving our mission and purpose.

Under our previous strategic planning period, 2017–20, we improved the way we determine and mobilise practical, clear strategies for success. Looking forward, we aim to build on those improvements, and create a better experience for all participants in the democratic process.

Our 2021–24 Strategic Plan focuses on improving engagement with the community to maintain trust and confidence; using data more effectively to inform service delivery, policy and operational performance; and becoming a more mature, sustainable and scalable organisation.

Voting >

Thank you
for using the
hand sanitiser.



STAY PLUS STAY COVID SAFE



Unwell?
Get tested
and go
home.



Initiatives for 2020–21

The focus of the Electoral Commission this year has been on maintaining our services to the people of New South Wales while working safely under COVID-19 conditions, including periods when staff were subject to directions to stay at home under public health orders.

The postponement of the Local Government elections and the associated replanning work required has resulted in the postponement of some of our strategic initiatives. The following information reports on our work supporting our initiatives during 2020–21.

Effective channels and formats

Building engagement with stakeholders helps to support trust and confidence in democracy. Critical to our success in this engagement is to provide effective communication channels and formats for our audiences, enabling them to easily understand and participate in the democratic process.

Our audience research shows that channel preference is moving to digital platforms. To that end, we progressed our digital transformation during 2020–21, increasing and improving our digital services (see [Funding and Disclosure Online, Nominations Online Management System](#) and [iVote](#)) and focussing on website enhancements for the Local Government elections.

New address look-up functionality allows voters to enter any New South Wales address to find its corresponding council area and state electoral district. This functionality then leads electors to council area, ward and state district profile pages. During an election these pages provide detailed information about where to vote and other specific information. Integration with our [Nominations Online Management System](#) supplies a list of candidates who have nominated for each election.

Internal communications

We aim to improve the sharing of information to support the effective use of knowledge across the Electoral Commission. During 2020–21 internal communications have necessarily focussed on the wellbeing of staff working remotely during the COVID-19 pandemic. The internal communications approach has included rapid response communications sharing changing public health order requirements, 'pulse' surveys on staff wellbeing, and communications supporting the introduction and implementation of new business processes required by the pandemic.

The delivery of a new staff intranet is integral to our ongoing internal communications strategy. During 2020–21 we audited our intranet to determine what information currently exists, identify potential information gaps, and gather user metrics to see what information is used. We augmented our current intranet with two new sections – a wellness resource hub to support the mental health and physical wellbeing of staff and a resource hub to centralise information related to the COVID-19 pandemic.

Strategic partnerships

During the year we met with several key stakeholders – the Australian Electoral Commission (AEC), Service NSW (Department of Customer Service) and Revenue NSW – to discuss and progress initiatives including: Tell Us Once (Department of Customer Service), Fairer Fines (Revenue NSW) and the National Enrolment Forum (AEC).

We have convened a working group to help ensure that appropriate COVID-19 safety measures are in place for the 2021 Local Government elections. The working group includes participants from NSW Health, NSW Police, Department of Premier and Cabinet, the Office of Local Government, representatives from Penrith and Fairfield councils (which have engaged a private election services provider), Department of Education, and Department of Customer Service.

Operational effectiveness

This initiative aims to use the knowledge developed and information available within the Electoral Commission and through our networks to improve the effectiveness and efficiency of the internal processes we use to regulate political participants.

We have identified three regulatory processes to be reviewed: public funding claims, compliance audits and allegations of non-compliance by political participants. The enhancements made to date have focused on the process of dealing with allegations of non-compliance during an election period so they can be applied in time for the 2021 Local Government elections. These improvements were trialled during the May 2021 Upper Hunter by-election and aim to ensure a consistent response to allegations received from different channels, expedite interactions with political participants to increase their compliance and establish specific approaches to the regulation of online electoral material.

External service delivery

Our objective is to make our regulatory services more relevant and easier for political participants and the public to engage and transact with us.

Cash donations communications campaign

We developed a public awareness campaign to educate people in New South Wales about changes to political donations laws making cash donations over \$100 to political participants unlawful. The targeted campaign was placed across digital media with an emphasis on social media and digital display. See [“Communicating new political donation legislation” on page 26](#) for more information.

Funding and Disclosure Online

Funding and Disclosure Online, was launched in June 2021 to support compliance with registration, disclosure, and other legal obligations under New South Wales electoral funding laws. We consulted with electoral participants to understand their current experiences of meeting legislative obligations and our administration of these requirements, including what currently works well, and challenges and opportunities for improvement. Our consultation process found strong support for electronic and online alternatives to the current manual paper-based processes.

The secure, accessible portal significantly enhances our digital capability as an organisation, enabling users to:

- submit electronic signatures – removing the need for printing and scanning documents for signature and subsequent submission
- regularly update data and upload supporting documentation throughout the disclosure period
- access online information and support for completing the online forms
- manage registered particulars and contact details
- tracking the status and progress of online forms.

The portal was piloted prior to broader promotion to all political participants. The portal greatly enhances our engagement with political participants and streamlines our internal processes and administrative functions. Early analytics show a time saving of up to 40 minutes per form for some regulatory processes.

The traditional paper-based forms are still available for stakeholders if preferred or required.

Nominations Online Management System

Following the success of the *Nominations Online Management System* for the NSW State election in March 2019, the application has been enhanced to facilitate its use for local government elections nomination requirements. The system enables registered political parties and candidates to complete and lodge their nomination and/or grouping forms (as applicable), and pay nomination deposits, online.

iVote: online and telephone voting

During the year we prepared iVote for use at the 2021 Local Government elections. Accessibility testing was conducted by Vision Australia’s Digital Access team in 2020, and iVote has now achieved WCAG 2.0 AA accessibility certification. This level of accessibility enables electors using iVote, especially electors who are blind or have low vision and other disabilities, to navigate and access information in iVote more easily. Many specialist tools, such as screen readers used by people who are blind or have low vision, rely on the online portal to be WCAG 2.0 compliant for the tools to operate properly.

Stakeholder engagement

Supporting access to democracy

We support equal access to democracy for all voters. We work with our reference groups – Equal Access to Democracy and Culturally and Linguistically Diverse, both comprising individuals and peak bodies – to identify barriers to participation and develop solutions to overcome them.

We sponsored the virtual Yabun Festival in January 2021 and have committed to the development of our first Reconciliation Action Plan as part of our *2021–24 Strategic Plan*.

During 2020–21 we co-designed resources to promote the Local Government elections with our reference group members. These included translated community language resources, easy-read guides, videos and advertising materials.

Disability Inclusion Action Plan

Our Disability Inclusion Action Plan expired at the end of 2020. It was agreed with our Equal Access to Democracy Reference Group members to extend the Plan for another calendar year to cover the postponement of the Local Government elections initially from September 2020 to September 2021 and then to December 2021. A new Plan will be developed after the election in consultation with the Reference Group, aligned with the Disability Inclusion Plan for all NSW Government agencies and in accordance with the *Disability Inclusion Act 2014*.

Between election cycles we continued to enhance the accessibility of iVote to improve the enfranchisement of electors who would otherwise not be able to vote independently or have difficulty voting in person at voting centres on election day.

Our WGAC 2.0 compliant website contains voter education resources including materials designed in collaboration with people with disability.

Multicultural Action Plan

As with our Disability Inclusion Action Plan, our Multicultural Action Plan was extended to cover another calendar year and a new plan will be developed after the election in consultation with the Culturally and Linguistically Diverse Reference Group and aligned to the Multicultural NSW Multicultural Policies and Services Program.

During the year we augmented our website with explainer videos and information in 24 community languages about the Local Government elections and political donations.

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

Emerging stakeholders

Outside of our reference groups, discussions have commenced with stakeholders about supporting access to democracy for other members of our community.

Homelessness NSW

Discussion was undertaken with Homelessness NSW in 2020 in the context of their submission to the Inquiry of the Joint Standing Committee on Electoral Matters into the Administration of the 2019 State election. Information about homelessness and voting is available on our website.

Revenue NSW

Revenue NSW is undertaking a program around 'fairer fines', and has identified voting fines in First Nations communities as a priority area. During 2020–21 we provided promotional materials to Revenue NSW to be shared through their networks.

Electoral Council of Australia and New Zealand

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

Electoral Regulation Research Network

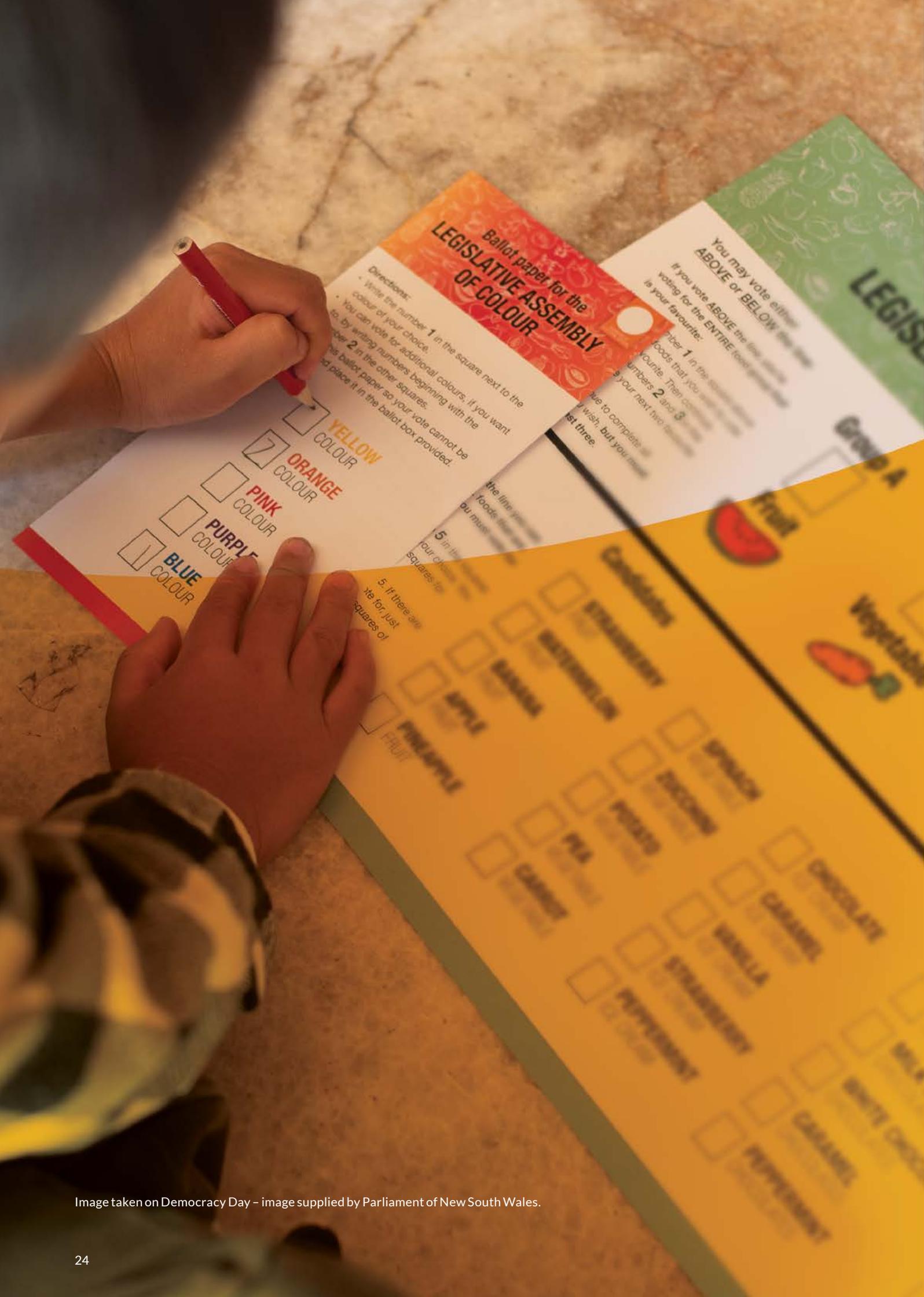
The Electoral Regulation Research Network (ERRN) fosters exchange and discussion among academics, electoral commissions and other interested groups on research relating to electoral regulation. The ERRN is jointly funded by the NSW Electoral Commission, the Victorian Electoral Commission, and the University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

The COVID-19 pandemic prevented in-person participation by Electoral Commission officers in ERRN events during 2020–21. Members of the network have nonetheless delivered a number of important webinars that Electoral Commission staff were able to attend.

Interjurisdictional Working Group on Electoral Integrity and Security

In July 2017 all Australian electoral commissioners wrote to Commonwealth, State and Territory First Ministers requesting that the issue of cyber security for Australia's election systems be placed on the Council of Australian Governments (COAG) agenda. In December 2018 COAG agreed to establish and support a Commonwealth-State working group of electoral commissions, electoral policy leads, the National Counter Foreign Interference Coordinator, and the National Cyber Security Adviser to strengthen the security of Australia's electoral systems, data and processes.

The Interjurisdictional Working Group on Electoral Integrity and Security was formed in February 2019 and is currently examining the possible development of a national electoral platform to host and deliver electoral systems.



Ballot paper for the LEGISLATIVE ASSEMBLY OF COLOUR

Directions:
• Write the number **1** in the square next to the colour of your choice.
• You can vote for additional colours, if you want to, by writing numbers beginning with the number **2** in the other squares.
• Place this ballot paper so your vote cannot be seen and place it in the ballot box provided.

- YELLOW** COLOUR
- ORANGE** COLOUR
- PINK** COLOUR
- PURPLE** COLOUR
- BLUE** COLOUR

You may vote either **ABOVE** or **BELOW** the line. If you vote **ABOVE** the **ENTIRE** food is your favourite.

Write the number **1** in the square next to the food that you like best. Then write numbers **2** and **3** in the next two squares to complete your list. You may wish, but you must not write more than three.

5. If there are more than one choice for just one colour, write for just one square of that colour.

5. In the squares next to the line you must write the name of the food that you like best.

- | Category | Item | Vote |
|------------|-------------|--------------------------|
| Fruit | Apple | <input type="checkbox"/> |
| | Banana | <input type="checkbox"/> |
| | Orange | <input type="checkbox"/> |
| | Pineapple | <input type="checkbox"/> |
| | Watermelon | <input type="checkbox"/> |
| Vegetables | Broccoli | <input type="checkbox"/> |
| | Carrot | <input type="checkbox"/> |
| | Cucumber | <input type="checkbox"/> |
| | Green Beans | <input type="checkbox"/> |
| | Onion | <input type="checkbox"/> |
| | Peas | <input type="checkbox"/> |
| | Spinach | <input type="checkbox"/> |
| | Tomato | <input type="checkbox"/> |
| | Zucchini | <input type="checkbox"/> |
| | Other | <input type="checkbox"/> |

Image taken on Democracy Day - image supplied by Parliament of New South Wales.

Democracy Day

The next generation of voters visited NSW Parliament House on Friday, 16 April 2021 for the inaugural Festival of Democracy.

It was our pleasure to support the initiative, with children and their families from across New South Wales learning about democracy and the importance of voting.

We particularly enjoyed conducting a special election, where the children were given the opportunity to vote for their favourite colours and food. The Electoral Commission produced ballot papers and provided ballot boxes and voting screens.

Communicating new political donation legislation

During the year we developed and implemented a communications campaign to increase awareness of political donations laws in New South Wales. The campaign aims to educate voters, political parties and existing donors of legislation changes that came into effect on 1 January 2020. These changes mean that cash donations above \$100 cannot be made or accepted in New South Wales.

The Electoral Commission undertook stakeholder and market research to benchmark the understanding of the rules governing donations and the main barriers to improving that understanding.

All voters and businesses within New South Wales are potential donors. The research showed that many have limited understanding of what constitutes a donation and their responsibility to disclose.

Six video animations were created to explain the different types of political donations, the laws that govern these donations and what these laws mean.

The communications campaign (which incorporated digital, social media, print and radio) also engaged members of culturally and linguistically diverse communities, which built upon learnings from the market research. The animations have been translated in seven community languages: Arabic, Cantonese, Mandarin, Greek, Italian, Vietnamese and Korean. The advertising campaign also targeted these communities with in-language content.

Based on post-campaign metrics provided by our media buying agency, the campaign had more than seven million views to June 2021 across New South Wales, with additional advertising planned for 2021–22.

Although the videos have been promoted ahead of the 2021 Local Government elections, their content is applicable to both local government and state elections, making them a useful resource for all political participants and an ongoing community education resource.

The animations and more information about unlawful political donations are available on the NSW Electoral Commission [website](#).

Important rules apply to being a political donor in NSW



Redistribution of electoral districts

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

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

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

A redistribution is a statutory process conducted by an independent panel, the Electoral Districts Redistribution Panel, which is established under the *Electoral Act 2017*. The Constitution Act (Part 3 Division 3 Sections 25–28A) sets out the conditions under which a redistribution takes place. The *Electoral Act 2017* (Part 3 Division 1 Sections 17–29) provides the framework, process and timetable for the redistribution.

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

To assist it in carrying out its functions, legislation enables the Panel to use the staff of the Electoral Commission. During 2020–21, geospatial support was provided by the Electoral Commission to produce the geographic files containing the final boundaries and to conduct detailed reviews of all maps to ensure a high-quality and accurate cartographic product for online and printed resources, including the Government Gazette. As required by legislation, statutory advertising and a public campaign including newspaper advertisements, press releases and social media posts were undertaken. Registers of submissions and comments received were also published on our website.

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

Draft determination

On 9 November 2020 public notice was given in the Government Gazette of the Panel's draft determination of the names and boundaries of electoral districts, inviting written submissions relating to the draft determination, and any comments on such submissions. Submissions on the draft determination and comments on those submissions were lodged with the Panel until 23 December 2020 and published on our website.

Public hearing

A public hearing was held in Sydney on 30 April 2021. The hearing was an opportunity for those persons who, or organisations that, lodged a submission or comment during the second public consultation phase to make further submissions.

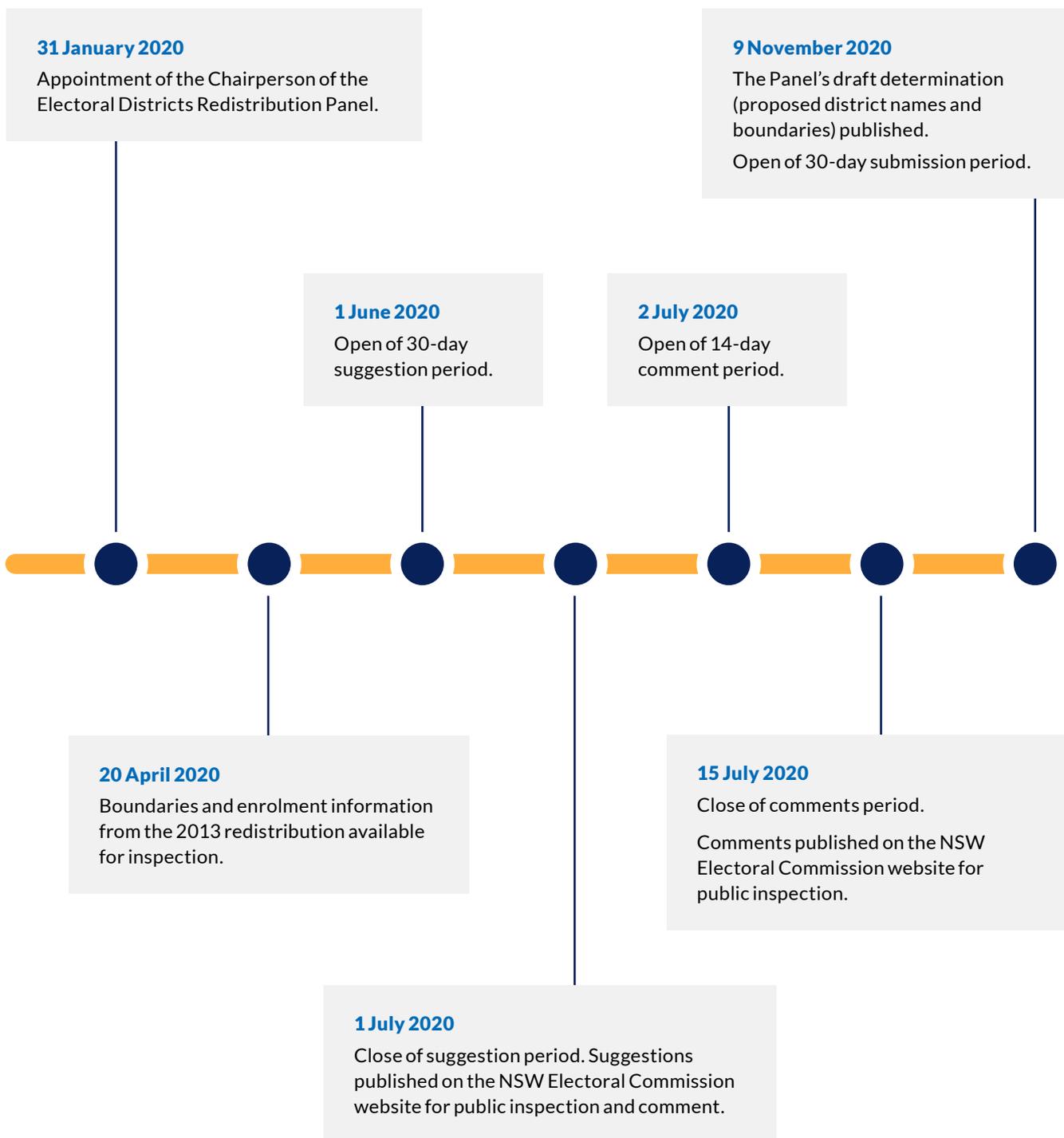
Final determination

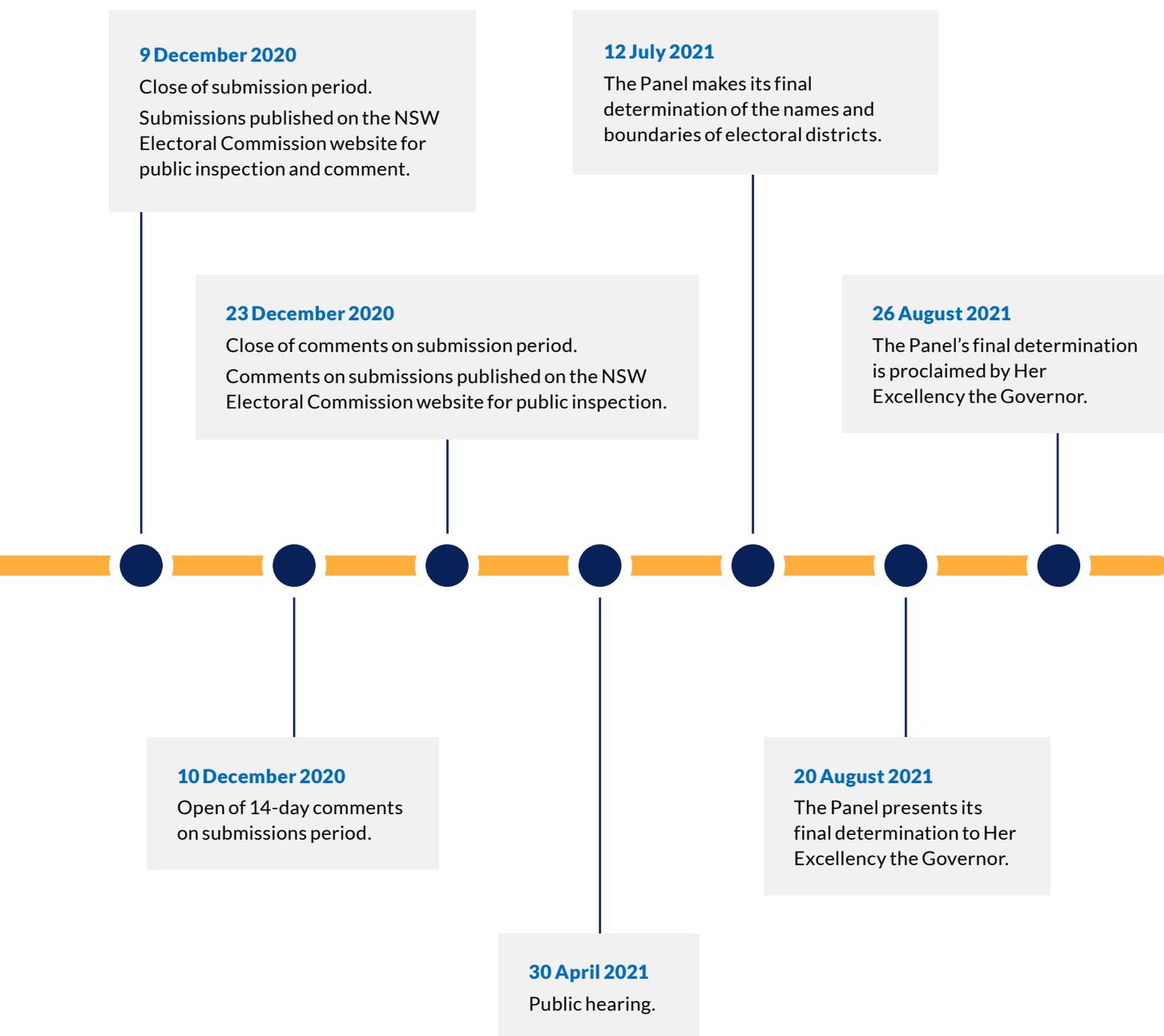
The Panel produced its final determination of the names and boundaries of electoral districts, having regard to all submissions and comments received during public consultation and oral submissions made at the public hearing. The Panel's final determination was given to Her Excellency the Governor on 20 August 2021 and subsequently proclaimed on 26 August 2021. The proclaimed districts will be in place for the 2023 NSW state general election. Any NSW state by-elections that take place before then will be conducted on the electoral districts used for the 2019 NSW state general election.

For more information about the redistribution process go to: elections.nsw.gov.au/redistribution

Redistribution of electoral districts continued

Redistribution timeline





Receipts

1/4/44	£100.0.0	Touche & Phipps
1/4/44	153.0.0	Repaid to Treasury
1/4/44	<u>20.0.0</u>	repaid to Treasury
	<u>£313.0.0</u>	

Collection 1944

5.5.44	£100.0.0	Touche & Phipps
23.5.44	206.0.0	Repaid to Treasury
	<u>£306.0.0</u>	P.T.R. 34150 of 53/44

By Election 9/11/46

Advance 17/10/47 £300

£300

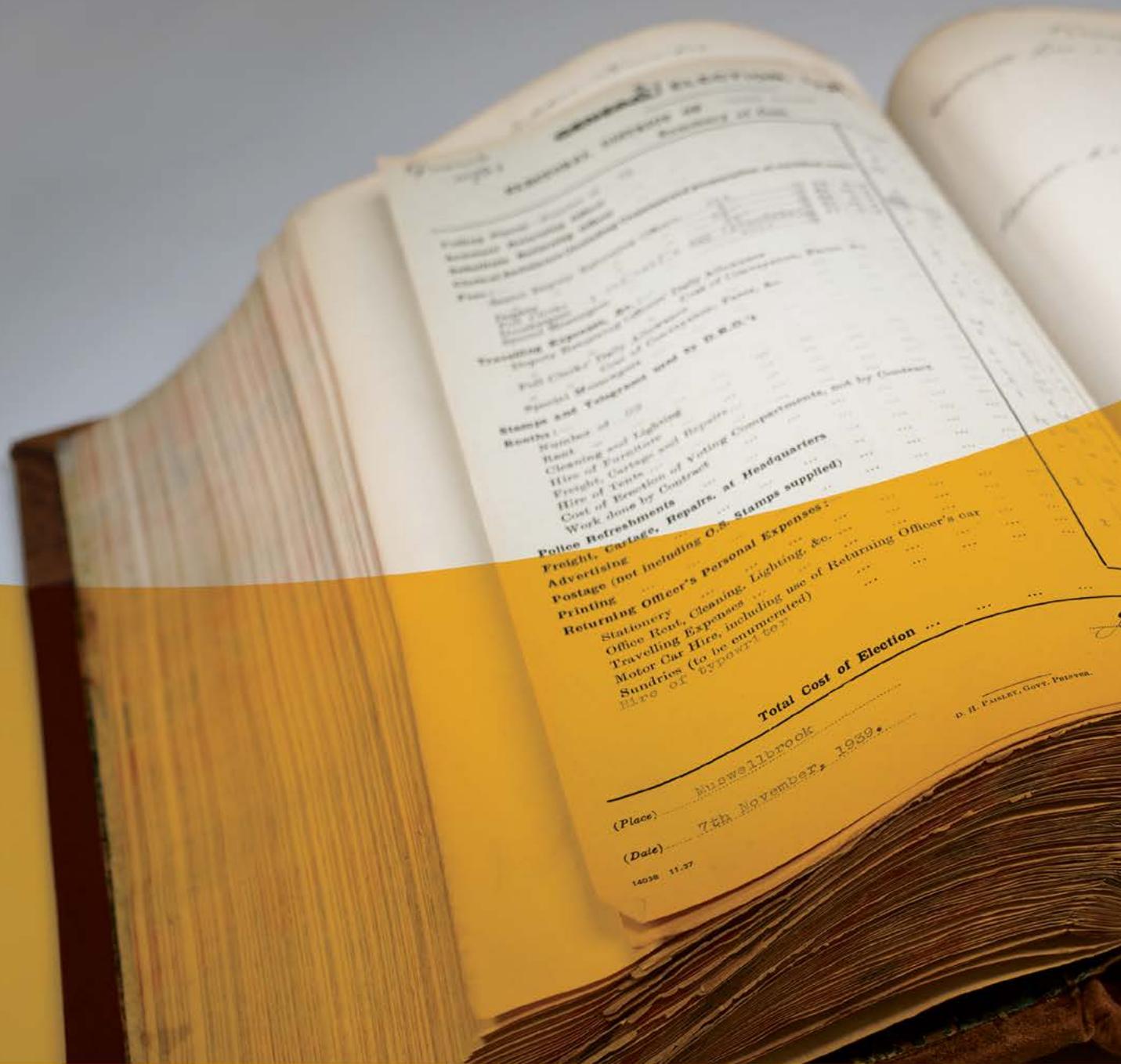
Touche & Phipps
Repaid to Treasury
P.T.R. 33679 of 30/1/47

J. Ingham

3

People and governance

Office relocation	33
Our people and work environment	34
Governance, risk management and audit	38
Internal audit and risk management policy attestation	42
Cyber security policy attestation	44
Privacy and accessing information	45



Office relocation

During 2020–21 we decommissioned our office accommodation in Kent Street and moved to 231 Elizabeth Street as part of the New South Wales public sector Southern Sydney CBD hub relocation project.

During the move we rediscovered historical ballot boxes, one of which dates back to at least 1875. A leather-bound electoral ledger was also rediscovered. The ledger pre-dates the Electoral Commission as a standalone agency and contains financial information about New South Wales elections and by-elections conducted from 1938 to 1944.



Our people and work environment

Our positive culture is one of our greatest strengths. The NSW Electoral Commission is an organisation that needs to deliver on-time and with precision across all its activities.

We continue to improve our agility as an organisation. We aim to support collaboration and continuous improvement, and build skills and capacity within a learning environment.

The statistics reported below refer only to staff of the Electoral Commission engaged under the *Government Sector Employment Act 2013*. The work of the Electoral Commission is also supported by a number of contractors with specialist information technology and project management skills.

Staff profile

The Electoral Commission's staff profile is shown in [Table 1](#).

Table 1. Staff numbers as at 30 June 2021

	Female	Male	Total
Senior executives (equivalent)*	6	12	18
Ongoing officers	61	39	100
Temporary officers	28	19	47
Total	95	70	165

*Excludes the Public Office Holder, Board Members and ARC Members. Excludes the contingent workforce of 81 contractors, 21 ICT consultants and 1 casual staff member.

The Electoral Commission is actively working towards increasing the proportion of women in leadership positions.

Table 2. Women in leadership pipeline positions at the NSW Electoral Commission

Grade	Proportion of women at grade
Grade 11/12	52.94%
Grade 9/10	50.00%

As at 30 June 2021. Does not include contractors or consultants.

Numbers and remuneration of senior executives

Table 3. Senior executive staffing profile as at 30 June 2021

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

The NSW Electoral Commission did not have Band 3 employees during the reporting period. *The numbers in brackets are as at 30 June 2020 for comparison.

Table 4. Remuneration profile of executive officers

Band	Range (\$)	Average remuneration 2021 (\$)
Band 2 (equivalent)	274,701 – 345,550	300,142
Band 1 (equivalent)	192,600 – 274,700	226,461

The NSW Electoral Commission did not have Band 3 (equivalent) employees as at 30 June 2021.

In 2020–21, 40 per cent of the Electoral Commission's employee-related expenditure was for senior executives, compared to 21.77 per cent the previous year.

Staffing changes

As per [Table 5](#), separations decreased in 2020–21 compared with the previous year. This can be attributed in part to the securing of temporary funding in response to the workforce planning business case submission to NSW Treasury. Funding constraints remain an issue and a contributor to staff turnover. Other factors contributing to staff turnover relate to mobility, career development and opportunities external to the Electoral Commission.

Table 5. Staff separations and movements

	2016–17	2017–18	2018–19	2019–20	2020–21
Total commencements	26	70	23	36	35
Total continuing	69	67	122	109	134
Total separated	17	21	47	38	28
Separation rate	15.6%	14.5%	24.5%	20.8%	14.2%

Contractors are not included in these numbers.

Workplace diversity

Table 6. Trends in the representation of equal employment opportunity (EEO) groups

EEO target group	Target	2017	2018	2019	2020	2021
Women ¹	50%	52.63%	54.48%	56.55%	51.72%	57.23%
People who identified themselves as Aboriginal and Torres Strait Islander	2%	-	2.50%	0.69%	0.69%	0.60%
People whose first language is not English (self-identified)	20%	14.81%	27.50%	11.03%	8.97%	7.83%
People who identified themselves as having a disability	12%	-	2.06%	1.38%	1.38%	1.20%
People who identified themselves as having a disability requiring work-related adjustment	7%	-	1.25%	0.69%	0.69%	0.60%
People who identified themselves as coming from a racial, ethnic or ethno-religious group ²	-	16.67%	16.3%	11.72%	9.66%	7.83%

Temporary election staff and contractors are not included.

Notes: ¹ Annual Workforce Profile report. ² While not an EEO target group, the Electoral Commission elects to report this figure.

Our people and work environment continued

Staff training and development

During 2020–21, 263 staff undertook an average of 2.1 training days per employee. In addition, two staff members were supported in conducting their tertiary studies through our study assistance program.

An all-day staff workshop was held to socialise our 2021–24 *Strategic Plan* and align individual performance objectives to team initiatives within the Plan.

Table 7. Staff training during 2020–21

Training type	Number of courses	Number of training days
Internal courses	2,236	319
External courses	1,305	238

Table 8. Staff development attendance during 2020–21 (face-to-face and online)

Development program	Number of staff	Number of training days or equivalent
DPC Leadership Program	8	40
Executive Leadership Essentials	2	4
Strategic plan and communication workshop	196	84
Workplace behaviour workshop	168	36
Workplace behaviour for people leaders workshop	77	22
Officer due diligence workshop	21	6
Microsoft Office (Excel and Word)	7	7
First aid training	15	9
Compliance curricula (six mandatory online modules)	202*	174
Onboarding online curricula	312	45
HR induction	89	13
1:1 coaching	5	3
Performance development plan workshop	60	4
LinkedIn Learning	56	22
Presentation skills and train the trainer	9	18
Dealing with difficult callers	12	12

Does not include individual staff development: 29 staff members were provided individual development opportunities through targeted skills training identified in their performance development plan. *202 staff completed all six mandatory modules.

Workplace health, safety and wellbeing

Office induction

Elizabeth Street office inductions were conducted during October and November 2020. COVID-19 protocols were applied to the sessions to ensure the health and safety of staff.

Coronavirus Reference Group

This group was established early in 2020 to respond to the significant impacts of the COVID-19 pandemic on our operations. The Electoral Commissioner and all the Executive Directors are members of the group, along with the Director, Human Resources and senior representatives from corporate and operational areas. The group's operations continued during 2020–21 as the oversight forum for the Electoral Commission's management of work, health and safety risks associated with the pandemic.

Work health and safety KPIs for elections

Work health and safety key performance indicators (KPIs) have been developed for the upcoming Local Government elections relating to, for example: communication, training, venue selection, operations, incident capture. The outcome of each indicator will form the baseline for future elections and provide metrics on election health and safety. Along with the KPIs we developed work health and safety principles, focussing on fatigue management, for election events. These were implemented for the Upper Hunter by-election in May 2021.

Health and safety audit

Electoral Commission staff designated as officers under the *Work Health and Safety Act 2011* participated in workshops on due diligence and duty of care responsibilities.

A work health and safety legal and compliance audit was undertaken during the year. Insights from the audit will be used to improve our safety management systems and to develop long-term strategies.

Workers compensation claims

One workers compensation claim was lodged against the Electoral Commission, but did not progress to an accepted claim. No safety prosecutions were commenced against the organisation.

Health and safety culture

To inform the development of our safety strategy we surveyed staff about workplace safety and our safety culture. The results will benchmark our attitudes to a range of topics including physical and mental safety at work, and provide insight into our working environment and behaviours contributing to overall staff wellbeing.

Wellness program

We developed an intranet-based 'wellness hub', which aggregates courses and support services, including our employee assistance program, with resources to support our physical and mental health and wellbeing.

Secondments

The *Government Sector Employment Act 2013* and the *Government Sector Employment Rules 2014* provide mobility provisions to support employees and employers as they respond to workforce needs and develop employee capabilities. Mobility provides a way for employees to experience new areas of work, increase their knowledge and capabilities, and bring new ideas into a workplace. The Electoral Commission supports staff mobility and opportunities for secondment. During 2020–21, there were four secondments from other agencies to the Electoral Commission, and two secondments of staff to other agencies.

People Matter Employee Survey

Each year our staff are given the opportunity through the People Matter Employee Survey to provide feedback about the Electoral Commission as a place to work. The survey is open to all employees across the New South Wales Government.

In the 2020 survey, our overall employee engagement score of 73 per cent was in line with our result in the previous year and higher than the public sector average of 67 per cent.

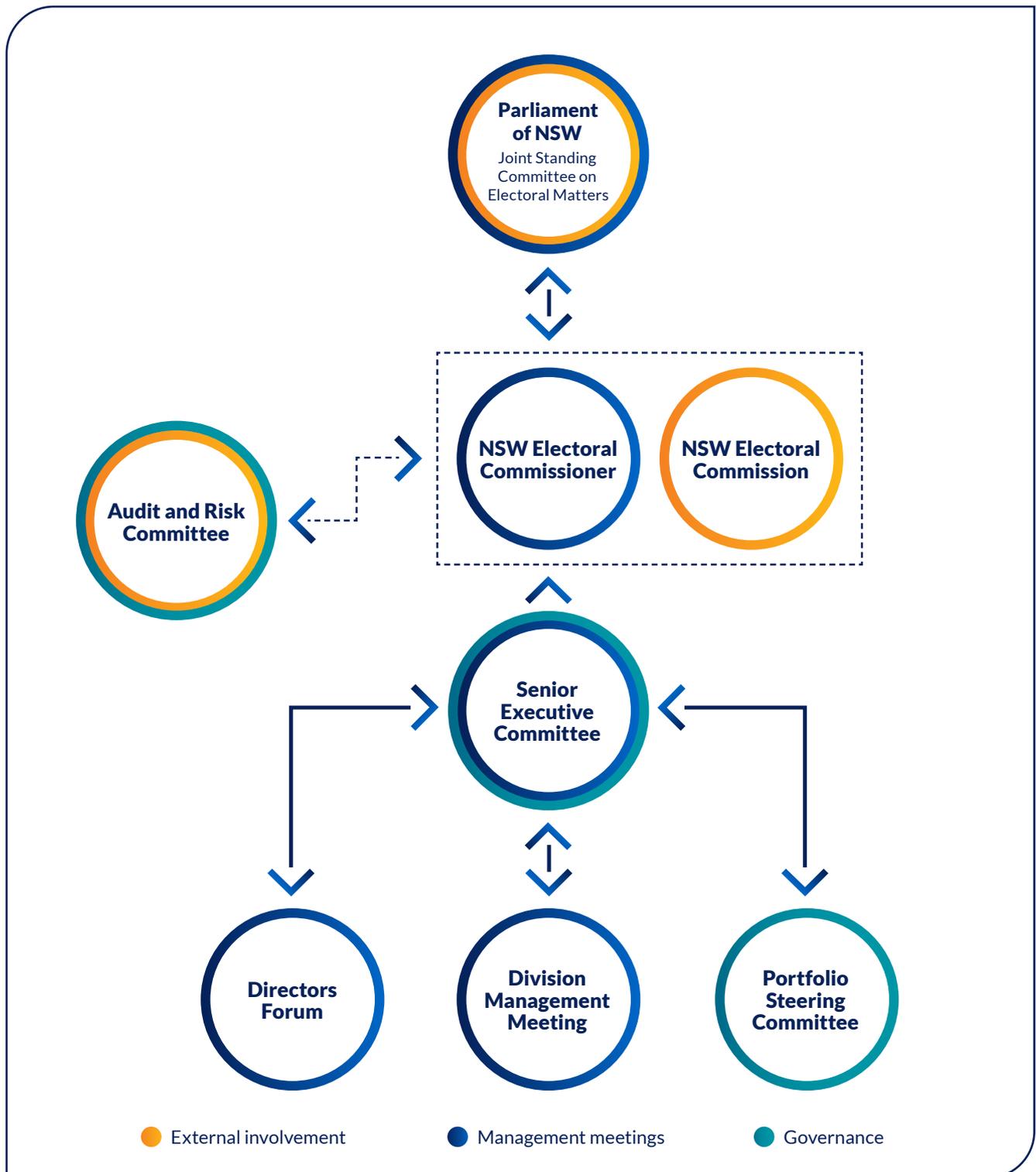
The survey is an important indicator of staff satisfaction and provides an opportunity to reflect on our strengths and identify areas where we can improve our performance. Our results reflect a strong team culture and job satisfaction across the Electoral Commission. Insights from last year's survey were used to identify opportunities for improvement. As a result, we conducted:

- workplace behaviour workshops in response to an identified need to improve our grievance process
- safety culture diagnostics as an initial step in improving our workplace physical, mental and psychological safety.

Governance, risk management and audit

Governance within the NSW Electoral Commission

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



Our governance framework

New governance arrangements implemented last year were embedded and enhanced during 2020–21. Terms of reference for the Portfolio Steering Committee, Future Working Practices Working Group and Data Governance Working Group were approved, with other reviews in progress.

The Electoral Commission's governance arrangements include:

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

Risk management

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

A risk management online training module is part of the suite of mandatory training for all staff members, along with modules on the Code of Ethics and Conduct, work health and safety, privacy and Government Information (Public Access), fraud and corruption control, and cyber security awareness. During the year, work began on the development of an online risk management training module for senior managers to assist and improve the overall risk management maturity of the organisation.

During 2020–21, the work health and safety and business continuity arrangements developed in response to the COVID-19 pandemic remained in place. The Coronavirus Reference Group continued to meet regularly throughout the year to ensure that work health and safety measures were appropriate, and service delivery effectiveness was maintained.

Audit and Risk Committee

The Audit and Risk Committee continued to provide independent assistance to the Electoral Commissioner and the Electoral Commission during 2020–21, by monitoring, reviewing and advising on governance processes, risk management and control frameworks, management of audit actions and external accountability obligations.

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

- 21 July 2020
- 3 September 2020
- 24 September 2020
- 3 December 2020
- 18 February 2021
- 22 April 2021.

Members

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

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

Governance, risk management and audit

continued

The terms of the members are shown in this report's Internal Audit and Risk Management Attestation. All members attended all the Audit and Risk Committee meetings.

Regular attendees

Regular attendees at Audit and Risk Committee meetings include:

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

The Audit and Risk Committee Charter was reviewed and approved on 18 February 2021 to incorporate the changes required by the NSW Treasury's Policy and Guidelines Paper (TPP 20-08), issued in December 2020.

Internal audit

We have a risk-based internal audit program in accordance with NSW Government policy. The Internal Audit Charter and Internal Audit Manual were both reviewed and approved in 2020–21 to ensure compliance with the requirements of TPP 20-08.

Internal audits undertaken in 2020–21

- Employee lifecycle and payroll (draft report issued)
- Fraud risk management (scoping completed, fieldwork in progress).

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

Internal audit work plan for 2021–22

- Election program management (post-election)
- Local government election count centres
- IT change/program management
- Intelligence and investigations management
- Governance.

The current contract for internal audit services is due to expire on 31 December 2021. During 2020–21, work commenced on procuring a supplier to deliver the Electoral Commission's internal audit services from 1 January 2022.

Complaints and consumer response

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

The Electoral Commission's complaints management process:

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

As is usually the case in a year without a general election, few complaints were received in 2020–21. The four complaints that were received concerned:

- inconveniently located voting centre
- inadequate notification of a statutory/service club/ industrial election
- unsolicited emails from the NSW Electoral Commission
- the environmental impacts that result from paper-based voting, as opposed to online voting.

Fraud and corruption control

The Electoral Commission did not refer any internal corrupt conduct to the Independent Commission Against Corruption (ICAC) in 2020–21.

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



Internal audit and risk management policy attestation



Office of the Electoral Commissioner

Internal Audit and Risk Management Attestation Statement for the 2020–21 financial year for the New South Wales Electoral Commission Staff Agency

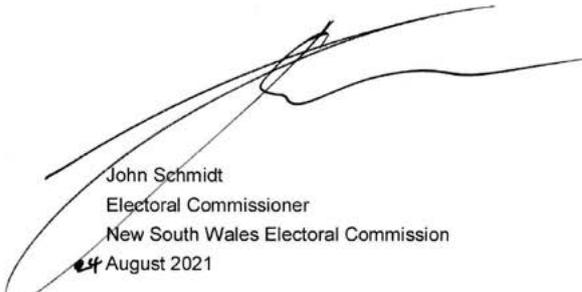
I, John Schmidt am of the opinion that the NSW Electoral Commission (NSWEC) Staff Agency has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the seven (7) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core requirements	For each requirement please specify whether compliant, non-compliant, or in transition
Risk Management Framework	
1.1 The Electoral Commissioner is ultimately responsible and accountable for risk management in the NSWEC. The Electoral Commissioner is ultimately responsible and accountable for risk management in the agency.	Compliant
1.2 A risk management framework that is appropriate to the NSWEC has been established and maintained and the framework is consistent with <i>AS ISO 31000:2018</i> .	Compliant
Internal Audit Function	
2.1 An internal audit function has been established, maintained and is fit for purpose.	Compliant
2.2 The operation of the internal audit function is consistent with the <i>International Standards for the Professional Practice for Internal Auditing</i> .	Compliant
2.3 The NSWEC has an <i>Internal Audit Charter</i> that is consistent with the content of the 'model charter'.	Compliant
Audit and Risk Committee	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established and provides advice and guidance to the Electoral Commissioner on the NSWEC's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

Membership

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

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



John Schmidt
Electoral Commissioner
New South Wales Electoral Commission
14 August 2021

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

Cyber security policy attestation



Office of the Electoral Commissioner

2020-21 financial year Cyber Security Annual Attestation Statement for the NSW Electoral Commission

I, John Schmidt, am of the opinion that the NSW Electoral Commission has identified cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy. The Electoral Commission is not compliant overall with the Policy's requirements, and due to the lack of adequate budgetary allocations cannot fully mitigate the gaps that have been identified.

The identified risks have been assessed and are being managed, to the extent possible, in line with the Electoral Commission's existing resources and capabilities. The Electoral Commission has also implemented governance practices to oversee its cyber security activities. These governance processes are consistent with the NSW Government Cyber Security Policy.

During the last year, a detailed gap assessment of the Electoral Commission's Information Security Management System (ISMS) was conducted with respect to ISO27001. This review identified areas for improvement and made recommendations to achieve compliance. The Electoral Commission also developed a programme of work to achieve compliance with the NSW Government Cyber Security Policy and the Australian Cyber Security Centre's Essential Eight to work towards assuring the integrity of the 2021 NSW Local Government elections and the 2023 NSW State general election (SGE2023). Successful implementation of this programme is entirely dependent on further budgetary support and resource allocations.

The ISMS recommendations and SGE2023 work programme, and the Electoral Commission's submissions to the NSW Government for urgent funding to implement them, are being monitored under the Electoral Commission's cyber governance framework.

A large, stylized handwritten signature in black ink, appearing to be 'John Schmidt'.

John Schmidt

Electoral Commissioner
NSW Electoral Commission

23 AUGUST 2021

Privacy and accessing information

Public Interest Disclosures

No disclosures under the *Public Interest Disclosures Act 1994* (PID Act) were made or received by the Electoral Commission during 2020-21. Our Public Interest Disclosures reports were submitted to the NSW Ombudsman for the financial year 2020-21 as follows:

- Public Interest Disclosures report for July to December 2020 submitted 15 March 2021.
- Public Interest Disclosures report for January to June 2021 submitted 29 July 2021.

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

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

Privacy and Personal Information Protection Act 1998

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

Privacy management plan

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

The Electoral Commission did not receive any requests for internal review under Part 5 of the PPIP Act during 2020-21.

Action taken by the Electoral Commission to comply with the requirements of the PPIP Act include a privacy

management plan (reviewed on an ongoing basis) and a designated privacy officer. In the last reporting year, we continued compulsory online privacy training for staff. Data custodians and project officers consult with the privacy officer and the legal business unit to ensure projects, forms, policies and procedures are compliant with the PPIP Act. The Data Governance Working Group continues to identify and implement action items on a regular basis in compliance with the PPIP Act.

Queries regarding privacy should be addressed as follows:

The Privacy Officer
NSW Electoral Commission
GPO Box 832 Sydney NSW 2001

Alternatively, enquiries can be made via the "[contact us](#)" form on our website.

Access to information: Government Information (Public Access) Act 2009

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

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

Obligations under the Government Information (Public Access) Act 2009

Clause 8(a): Review of proactive release program

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

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

Clause 8(b): Number of access applications received

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

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

No applications were refused during the reporting period.

Privacy and accessing information

continued

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

Table 9. Number of applications by type of applicant and outcome*

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

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

Table 10. Number of applications by type of application and outcome**

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

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

Table 11. Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	4
Application is for excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	4
Invalid applications that subsequently became valid applications	-

Table 12. Conclusive presumption of overriding public interest against disclosure (matters listed in Schedule 1 to Act)

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

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

Privacy and accessing information

continued

Table 13. Other public interest considerations against disclosure (matters listed in table to section 14 of Act)

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

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

Table 14. Timeliness

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

Table 15. Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

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

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

Table 16. Applications for review under Part 5 of the Act (by type of applicant)

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

Table 17. Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

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

Section 50 and 55 applications

There were no section 50 applications made during the 2020–21 financial year.

Disclosure of electoral procedures information

Section 55 of the Electoral Act requires a report of any disclosure of electoral information made in accordance with s.55(2) (a) or s.55(4)(a) of the Electoral Act during the financial year to be included in the annual report. Our legal team managed one matter involving such a disclosure. The following disclosures of electoral information were made under section 55 of the *Electoral Act 2017*.

Table 18. Disclosures of electoral information under section 55 of the *Electoral Act 2017* during 2020–21

Date	Disclosure made to	Information disclosed	Reason
19 March 2021	NSW Land and Housing Corporation	Electoral address history of three persons	Necessary in the public interest

Enrolment data

As at June 2021, there were 5,385,535 people enrolled to vote in New South Wales, representing 97.2 per cent of the total estimated eligible voting population.

Table 19. NSW enrolment versus eligible population

Date	Enrolment	Enrolment as a percentage of the estimated eligible population
June 2021	5,385,535	97.2
June 2020	5,339,629	98.0
June 2019	5,326,532	98.8
June 2018	5,248,487	98.5
June 2017	5,211,724	97.4



4

Elections and regulation

Conducting elections	52
Registration of political parties	54
Litigation	56

Conducting elections

The NSW Electoral Commissioner is responsible for conducting:

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

Elections conducted during 2020–21

During 2020–21, we conducted 18 elections for statutory bodies, service clubs and industrial organisations (see [Table 20](#)) and one state by-election.

Upper Hunter state by-election

The Upper Hunter by-election, held on Saturday, 22 May 2021, elected the sitting member for the Legislative Assembly state electoral district of Upper Hunter following the resignation of Mr Michael Johnsen MP on 31 March 2021.

This election was the first state by-election to be conducted within the legislative framework introduced by the *Electoral Act 2017*, which replaced the *Parliamentary Electorates and Elections Act 1912*.

The Writ for the by-election was issued on Friday, 30 April 2021 from the Speaker of the New South Wales Legislative Assembly, the Hon. Jonathan O’Dea MP. This gave the NSW Electoral Commission three weeks to prepare the election.

Thirteen candidates nominated for the election. Dave Layzell (National Party of Australia – NSW) was declared the elected candidate on Saturday, 29 May 2021, with 14,805 first preference votes (31.20 per cent of total). The Writ was returned to the Speaker of the Legislative Assembly on Monday, 31 May 2021.

The conduct of the election proceeded smoothly. The turnout and formality rates for the Upper Hunter by-election were 86.74 per cent and 97.47 per cent, respectively.

Our report on the conduct of the Upper Hunter State by-election is available on the NSW Electoral Commission [website](#).

Statutory bodies, service clubs and industrial organisations

In response to COVID-19, emergency changes to legislation enabled the postponement of statutory elections under the *Registered Clubs Act 1976* and the *Industrial Relations Act 1996*. Subsequently, several elections for statutory bodies, service clubs and industrial organisations elections did not proceed or were postponed. [Table 20](#) lists those elections that were conducted during 2020–21.

Voting services for other jurisdictions

The NSW Electoral Commission offered in-person early voting services for the Tasmanian State and Legislative Council elections for the divisions of Derwent, Mersey and Windermere. Early voting was available in our Elizabeth Street, Sydney office from Monday, 12 April to Friday, 30 April 2021. The elections were held in Tasmania on Saturday, 1 May 2021.

Preparations for the 2021 Local Government elections

Postponement of NSW Local Government elections

In response to the COVID-19 pandemic, the Minister for Local Government announced the postponement of the September 2020 local government elections for 12 months in the interests of public health and safety. The Minister subsequently announced that these elections would be held on 4 September 2021. On 24 July 2021, the Minister for Local Government made an Order to further postpone these elections to Saturday, 4 December 2021 in response to the changing COVID-19 situation across New South Wales at that time.

Local Government elections: 4 December 2021

Due to the postponements, we have been working to re-scope the work required to deliver the local government elections on 4 December 2021. At the time of this report, of the 128 local councils in New South Wales, 122 have engaged us to conduct their election. Four councils will not be holding elections in 2021 and two councils are using a private election service provider.

COVID-19 Safety Plan

A COVID-19 Safety Plan was developed during the reporting year by the Electoral Commission and reviewed by the NSW Department of Health to safeguard the health, safety and wellbeing of voters, election staff, political participants and the general public. This plan contains high-level principles supported by specific actions to be implemented in response to the changing COVID-19 environment.

Table 20. Elections conducted during 2020–21 for statutory bodies, service clubs and industrial organisations

Date	Organisation	Purpose
12 June 2021	Silverton Village Committee Inc. Election	By-election of two Committee Members
21 May 2021	Miranda RSL Sub-Branch Club Ltd	Election of the Board of Directors
15 May 2021	Petersham RSL Club Election	Election of three Directors
15 May 2021	Canley Heights RSL & Sporting Club Ltd	Election of the Board of Directors
29 April 2021	Fire Brigade Employees' Union Election	Election of the Committee of Management
7 April 2021	Public Service Association of NSW	Election of Executive Officers and delegates
30 March 2021	Cronulla Sutherland Leagues Club Ltd	Election of Executive Officers and delegates
25 March 2021	APESMA (NSW Branch)	Executive vacancy election for Assistant Secretary
18 February 2021	Lord Howe Island Board Election	Election of four Board Members
29 January 2021	TAB Agents' Association NSW	Election of Executive Committee Member
25 January 2021	APESMA Election	Election of executive officers
29 November 2020	West Tradies Club	Election of the Board of Directors
6 November 2020	Canada Bay Club	Election of the Board of Directors
31 October 2020	Bankstown Sports Club	Election of Directors
22 October 2020	NSW Gun Club	Election of the Board of Directors
17 October 2020	Tibooburra Village Committee Inc	Election of three Committee Members
19 September 2020	Petersham RSL Club	Election of Directors
19 August 2020	TAB Agents' Association NSW	Election of President

Key measures include:

- encouraging electors, election staff and political participants to check-in at voting and count centres using the Service NSW QR code
- encouraging electors to bring their own pens, or use the single-use pens provided at voting centres, to mark their ballot papers
- maintaining physical distancing at voting centres by managing elector numbers at these venues and ensuring sufficient space between voting screens and issuing tables
- employing additional election staff to assist in managing physical distancing and implement hygiene measures
- using voting screen inserts to allow for regular cleaning
- regularly cleaning surfaces, including voting screens and ballot paper issuing tables
- ensuring hand soap and/or hand sanitiser and paper towels are available in bathrooms
- providing hand sanitiser and other personal protection equipment for use by election staff, electors and political participants
- displaying public health messaging at voting centres
- implementing reporting procedures for suspected or confirmed cases of COVID-19.

Registration of political parties

The Electoral Commissioner maintains publicly available registers of political parties. Parties are registered for state elections under the *Electoral Act 2017* and for local government elections under the *Local Government Act 1993*. All NSW Electoral Commission registers and lists are available for inspection on the NSW Electoral Commission [website](#).

State elections

As of 30 June 2021, 16 political parties were registered for New South Wales state elections. Parties registered for state elections are also registered for local government elections. During 2020–21, no new parties were registered for state elections and no parties were deregistered – see [Table 21](#).

Table 21. Political parties registered for state elections during 2020–21

Party name
Animal Justice Party
Australian Labor Party (NSW Branch)
Christian Democratic Party (Fred Nile Group)
Country Labor Party
Flux NSW
The Greens NSW
Liberal Democratic Party
The Liberal Party of Australia, New South Wales Division
National Party of Australia – NSW
The Open Party
Pauline Hanson's One Nation
Reason Party
Shooters, Fishers and Farmers Party (NSW) Incorporated
The Small Business Party
Sustainable Australia Party – Stop Overdevelopment/Corruption
Socialist Alliance

Local government elections

As of 30 June 2021, 49 political parties were registered for local government elections including the 16 parties registered for state elections that are also registered for local government elections – see [Table 22](#).

During the year, four new parties were registered for local government elections:

- Australian Federation Party New South Wales
- Georges River Residents and Ratepayers Party
- Leading Independents
- The Ben Shields Team.

During the year, three parties were deregistered:

- Democratic Labour Party
- Bob Thompson's Independent Team
- Leading Independents.

Annual continued registration of political parties

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

Sixteen parties registered for state elections and 28 parties registered for local government elections were required to show continued eligibility for registration as of 30 June 2020.

At the conclusion of the continued registration process in 2020, 16 parties registered for state elections and 26 parties registered only for local government elections had demonstrated continued eligibility for registration. One party registered for local government elections, Bob Thompson's Independent Team, failed to demonstrate continued eligibility for registration and the party's registration was cancelled. The registration of one party, the Democratic Labour Party, was cancelled at the request of the registered officer of the party.

Table 22. Political parties registered during 2020–21 for local government elections

Party	Registration date	Deregistration date
Australia First Party (NSW) Incorporated (Councils)		
Australian Federation Party New South Wales	23 July 2020	
Australian Women's Party		
Battler		
Bob Thompson's Independent Team		30 October 2020
Clover Moore Independent Team		
Community First Team		
Democratic Labour Party		17 August 2020
Georges River Residents and Ratepayers Party	23 July 2020	
Good for Manly		
Independent Community Voice		
Kerryn Phelps Independents		
Kogarah Residents' Association		
Lake Mac Independents		
Leading Independents	7 July 2020	26 November 2020
Liverpool Community Independents Team		
Lorraine Wearne Independents		
Manly Independents – Putting Residents First		
Nella Hall Independents		
Our Local Community		
Our Sustainable Future		
Residents First Woollahra		
Central Coast Heart		
Science Party NSW		
Serving Mosman		
Shoalhaven Independents Group		
Strathfield Independents		
The Arts Party NSW		
The Ben Shields Team	8 July 2020	
The Local Independent Party		
Totally Locally Committed Party		
Your Northern Beaches Independent Team		

Litigation

Proceedings for electoral, electoral funding and lobbyist offences

The NSW Electoral Commission statutory body constituted under section 8 of the *Electoral Act 2017* is responsible for instituting proceedings for offences under the following acts and their regulations:

- *Electoral Act 2017*
- *Electoral Funding Act 2018*
- *Lobbying of Government Officials Act 2011*
- *Local Government Act 1993* (but only in connection with the conduct of local government elections).

Details of proceedings instituted by the NSW Electoral Commission during 2020–21 are outlined in the Electoral Commission’s report to the NSW Parliament annexed to this report (see Annexure A).

Tribunal and other civil proceedings

There were no tribunal or other civil proceedings in 2020–21.





5

Financial performance

Financial position	60
Statement by the Electoral Commissioner	62
Independent Auditor's Report	63
Statement of comprehensive income	66
Statement of financial position	67
Statement of changes in equity	68
Statement of cash flows	69
Notes to the financial statements	70

Financial position

Payment of accounts

Table 23. Payment of accounts for the 2020–21 financial year

Quarter	Current (\$)	Less than 30 days (\$)	Between 30 and 60 days (\$)	Between 60 and 90 days (\$)	More than 90 days (\$)	Target	Actual	Total (\$)
September 2020	276,000	-	-	-	7,000	100%	97.53%	283,000
December 2020	308,000	-	19,000	-	2,000	100%	93.62%	329,000
March 2021	450,000	-	-	-	2,000	100%	99.56%	452,000
June 2021	3,318,000	1,000	-	-	1,000	100%	99.97%	3,319,000
Total	4,352,000	1,000	19,000	-	12,000	100%	99.29%	4,383,000

Time for payment of accounts

Our performance in payments continues to be high, with an average of 99.29 per cent of all accounts paid on time. There were no instances where interest was paid due to late payment.

Consultants

Engagements costing less than \$50,000

There were five consultancy engagements, each of which were for less than \$50,000 and totalled \$101,290. All were categorised as management services.

Engagements equal to or greater than \$50,000

In the year ended 30 June 2021, we had no consultancy engagements of \$50,000 or more.

After balance date events

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

Major works

Table 24. Major works projects over \$250,000

Item description	Costs to 30 June 2021 (\$m)	Completion date	Comment
Funding, disclosure and compliance online system (Phase 2)	0.3	2022	Additional costs to be capitalised in July 2021, Phase 3 to be completed in FY22
Local government regulation changes	4.2	2022	Originally due for completion in 2021
Online nominations (Local Government elections)	2.2	2021	Completed
Funding, disclosure and compliance online system (Phase 1 and 2)	7.2	2021	Phase 1 and 2 costs capitalised up until May 2021 project go live

Note: There were no significant over-runs or delays.

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

Statement by the Electoral Commissioner



Statement by the Electoral Commissioner

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly New South Wales Electoral Commission's financial position, financial performance and cash flows.

A handwritten signature in black ink, appearing to be 'John Schmidt', written over a horizontal line.

John Schmidt
Electoral Commissioner
15 October 2021

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

New South Wales Electoral Commission

To the Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of New South Wales Electoral Commission (the Commission), which comprise the Statement by the Electoral Commissioner, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Commission's financial position, financial performance and cash flows

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

Basis for Opinion

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

I am independent of the Commission in accordance with the requirements of the:

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

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

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

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

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

Independent Auditor's Report continued

Other Information

The Commission's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Electoral Commissioner is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise Statement by the Electoral Commissioner.

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

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

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

I have nothing to report in this regard.

The Electoral Commissioner's Responsibilities for the financial statements

The Electoral Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Electoral Commissioner's responsibility also includes such internal control as the Electoral Commissioner determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the financial statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf OR www.auasb.gov.au/auditors_responsibilities/ar6.pdf. The description forms part of my auditor's report.

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

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



Margaret Crawford
Auditor-General for New South Wales

21 October 2021
SYDNEY

Start of the Audited Financial Statements

Statement of comprehensive income

for the year ended 30 June 2021

	Notes	Consolidated			Parent	
		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Expenses excluding losses						
Operating expenses						
Employee related	2(a)	24,580	84,244	21,669	673	683
Personnel services	2(b)	-	-	-	23,587	20,847
Other operating expenses	2(c)	29,281	14,780	21,010	29,281	21,010
Depreciation and amortisation	2(d)	8,099	8,424	7,373	8,099	7,373
Finance costs	2(e)	936	1,627	153	936	153
Other expenses	2(f)	16,831	47,786	34,046	16,831	34,046
Total expenses excluding losses		79,727	156,861	84,251	79,407	84,112
Revenue						
Appropriations	3(a)	84,277	161,916	90,292	84,277	90,292
(Transfers to the Crown Entity)		-	(43,971)	-	-	-
Sale of goods and services from contracts with customers	3(b)	2,727	3,015	1,121	2,727	1,121
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	320	525	139	-	-
Other revenue		-	43,129	-	-	-
Total revenue		87,324	164,614	91,552	87,324	91,413
Gains/(losses) on disposal	4	(462)	-	(1,481)	(462)	(1,481)
Other gains/(losses)	5	(1,166)	-	(6,721)	(1,166)	(6,721)
Net result	21	5,969	7,753	(901)	5,969	(901)
Other comprehensive income		-	-	-	-	-
Total other comprehensive income		-	-	-	-	-
Total comprehensive income		5,969	7,753	(901)	5,969	(901)

The accompanying notes form part of these financial statements.

Statement of financial position

as at 30 June 2021

	Notes	Consolidated			Parent	
		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Assets						
Current assets						
Cash and cash equivalents	7	6,024	5,587	4,101	6,024	4,101
Receivables	8	5,355	8,283	2,290	5,355	2,290
Contract assets	9	2,317	3	3	2,317	3
Inventories	10	128	90	90	128	90
Total current assets		13,824	13,963	6,484	13,824	6,484
Non-current assets						
Plant and equipment	11	921	2,759	1,231	921	1,231
Right-of-use assets	12	30,753	30,939	35,900	30,753	35,900
Intangible assets	13	23,357	27,156	20,719	23,357	20,719
Total non-current assets		55,031	60,854	57,850	55,031	57,850
Total assets		68,855	74,817	64,334	68,855	64,334
Liabilities						
Current liabilities						
Payables	14	5,851	3,382	3,384	5,851	3,384
Borrowings	15	2,583	2,489	4,097	2,583	4,097
Provisions	16	3,681	3,842	3,807	3,681	3,807
Other		-	5,993	-	-	-
Total current liabilities		12,115	15,706	11,288	12,115	11,288
Non-current liabilities						
Borrowings	15	35,757	36,350	38,054	35,757	38,054
Provisions	16	656	648	634	656	634
Total non-current liabilities		36,413	36,998	38,688	36,413	38,688
Total liabilities		48,528	52,704	49,976	48,528	49,976
Net assets		20,327	22,113	14,358	20,327	14,358
Equity						
Accumulated funds	17	20,327	22,113	14,358	20,327	14,358
Total equity		20,327	22,113	14,358	20,327	14,358

The accompanying notes form part of these financial statements.

Statement of changes in equity

as at 30 June 2021

	Accumulated Funds	
	Consolidated	Parent
	\$'000	\$'000
Balance at 1 July 2020	14,358	14,358
Net result for the year	5,969	5,969
Total other comprehensive income	-	-
Total comprehensive income for the year	5,969	5,969
Balance at 30 June 2021	20,327	20,327
Balance at 1 July 2019	15,259	15,259
Net result for the year	(901)	(901)
Total other comprehensive income	-	-
Total comprehensive income for the year	(901)	(901)
Balance at 30 June 2020	14,358	14,358

The accompanying notes form part of these financial statements.

Statement of cash flows

for the year ended 30 June 2021

	Notes	Consolidated			Parent	
		Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
Cash flows from operating activities						
Payments						
Employee related		(23,441)	(83,718)	(21,275)	-	-
Personnel services		-	-	-	(23,441)	(21,275)
Supplies and services		(35,238)	-	(25,408)	(35,238)	(25,408)
Finance costs		(900)	(1,627)	(120)	(900)	(120)
Other expenses		(16,832)	(65,174)	(34,028)	(16,832)	(34,028)
Total payments		(76,411)	(150,519)	(80,831)	(76,411)	(80,831)
Receipts						
Appropriation (excluding equity appropriations)		84,277	161,916	90,292	84,277	90,292
Sale of goods and services		354	3,015	822	354	822
Cash transfers to the Crown Entity		-	(43,971)	-	-	-
Other		4,423	45,736	3,439	4,423	3,439
Total receipts		89,054	166,696	94,553	89,054	94,553
Net cash flows from operating activities	22	12,643	16,177	13,722	12,643	13,722
Cash flows from investing activities						
Purchase of plant and equipment		(454)	(2,115)	(179)	(454)	(179)
Purchase of intangible assets		(6,042)	(9,249)	(7,245)	(6,042)	(7,245)
Net cash flows from investing activities		(6,496)	(11,364)	(7,424)	(6,496)	(7,424)
Cash flows from financing activities						
Payment of principal portion of lease liabilities		(4,224)	(3,327)	(2,892)	(4,224)	(2,892)
Net cash flows from financing activities		(4,224)	(3,327)	(2,892)	(4,224)	(2,892)
Net increase/(decrease) in cash and cash equivalents		1,923	1,486	3,406	1,923	3,406
Opening cash and cash equivalents		4,101	4,101	695	4,101	695
Closing cash and cash equivalents	7	6,024	5,587	4,101	6,024	4,101

The accompanying notes form part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2021

1. Summary of significant accounting policies

a) Reporting entity

The New South Wales Electoral Commission (NSWEC) is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The NSWEC is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

NSWEC is an independent statutory authority established under *Electoral Act 2017*. The NSWEC conducts state elections, local council elections, NSW Aboriginal Land Councils and certain statutory elections.

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

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

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

These consolidated financial statements for the year ended 30 June 2021 have been authorised for issue by the NSWEC on 3 September 2021.

b) Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the Government Sector *Finance Act 2018* (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

The NSWEC's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations.

The NSWEC held cash on hand and at bank as at 30 June 2021 of \$6m. As at 30 June 2021 the NSWEC had a net working capital deficit of \$0.6m. This is a consequence of the cash management reforms implemented by the Treasury on 1 July 2015, where agencies funded from the Consolidated Fund are funded on a cash flow needs basis and should only hold unrestricted cash balances to cover their immediate operational requirements. The NSWEC draws down appropriations from the Treasury based on its allocated budget that is sufficient to fund its ongoing operations.

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

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

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

c) Statement of compliance

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

d) Administered activities

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

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

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

Responsibility for administered receivables are transferred to Revenue NSW for debt collection after 12 months.

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

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

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

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

Notes to the financial statements

for the year ended 30 June 2021

f) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

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

i) Effective for the first time in Financial Year (FY) 2020-21

The accounting policies applied in FY2020-21 are consistent with those of the previous year.

ii) Issued but not yet effective

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

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

- AASB 17 Insurance Contracts
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2
- AASB 2014-10 Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

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

h) Impact of COVID-19 on Financial Reporting for FY2020-21

The effect of COVID-19 on the financial position and performance of NSWEC has been considered in the preparation of these financial statements.

The deferral of the 2020 Local Council Elections to September 2021 and deferral of related revenue and expenses is due to COVID-19. This has been accompanied by a request to NSW Government for an additional funding of \$37.3m to support the planned expenditure for a COVID-safe election. This request has been approved by Treasury and formal controls have been introduced to monitor and report on these funds.

Impacts on the property market for leased accommodation have been recognised, by impairing the value of NSWEC's right of use assets (refer to [note 5](#)). This has been based on assessment by independent valuers, as recommended by Property NSW. The impairment loss on right of use assets was due to an assessment that rental market values had declined due to the impact of COVID-19. Property NSW, as NSWEC's agent, obtained independent advice on the impact to tenancy leases that are held as right of use assets. This decline represents the impact upon leased accommodation in the Sydney CBD.

Other impacts are considered to be immaterial.

Notes to the financial statements

for the year ended 30 June 2021

2. Expenses Excluding Losses

a) Employee related expenses

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Salaries and wages (including annual leave)	21,071	18,684	575	578
Superannuation				
defined benefit plan	53	65	-	-
defined contribution plan	1,842	1,636	38	37
Long service leave	304	70	24	29
Workers' compensation insurance	191	115	5	4
Payroll tax and fringe benefits tax	1,119	1,099	31	35
Redundancy	-	-	-	-
	24,580	21,669	673	683

Employee related expenses includes \$265,000 which is attributable to the development of new software and was capitalised and excluded from employee related expenses during the year ended 30 June 2021 (2020: \$469,000).

Recognition and measurement

Refer [note 16](#) – Provisions

b) Personnel services expenses

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Personnel services expense	-	-	23,587	20,847

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

Notes to the financial statements

for the year ended 30 June 2021

c) Other operating expenses include the following:

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Auditor's remuneration				
- audit of the financial statements	87	81	148	81
Advertising	832	133	832	133
Consultants	78	259	78	259
Contractors – Agency Staff	12,291	7,594	12,291	7,594
Contractors – Professional Services	2,476	2,293	2,476	2,293
Electricity	47	76	47	76
Insurance	264	56	264	56
Internal audit	176	258	115	258
IT Hosting Services	2,872	2,679	2,872	2,679
Legal fees	12	5	12	5
Low Pool Assets	267	151	267	151
Maintenance **	26	12	26	12
Expenses relating to short-term leases	883	140	883	140
Provision of Services	2,625	1,846	2,625	1,846
Postage	288	402	288	402
Printing	177	147	177	147
Security	7	36	7	36
Software maintenance and licences	3,966	3,068	3,966	3,068
Stationery	75	114	75	114
Storage	22	54	22	54
Telephone	120	71	120	71
Training	295	321	295	321
Travel	32	58	32	58
Other	1,363	1,156	1,363	1,156
	29,281	21,010	29,281	21,010

**Reconciliation – total maintenance

Notes to the financial statements

for the year ended 30 June 2021

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Included in other operating expenses are the following election expenses:				
Local Government Election	2,009	-	2,009	-
General Election	1,037	5,480	1,037	5,480
By Election	823	-	823	-
Total election expenses included in note 2c	3,869	5,480	3,869	5,480

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Maintenance expense – contracted labour and other (non-employee related)	26	12	26	12
Total maintenance expense included in note 2(c)	26	12	26	12

Recognition and measurement

Other operating expenses

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

Maintenance expense

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

Insurance

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

Lease expense

NSWEC recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

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

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

Notes to the financial statements

for the year ended 30 June 2021

d) Depreciation and amortisation expense

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Depreciation				
Plant and equipment				
Computer Hardware	375	304	375	304
Furniture, Fittings and Leasehold Improvement	357	533	357	533
Plant and Equipment	30	30	30	30
Right-of-use assets	4,394	3,019	4,394	3,019
	5,156	3,886	5,156	3,886
Amortisation				
Intangibles – Software	2,943	3,487	2,943	3,487
	2,943	3,487	2,943	3,487
Depreciation and amortisation	8,099	7,373	8,099	7,373

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

e) Finance costs

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Interest expense from lease liabilities	900	120	900	120
Unwinding of discount and effect of changes in discount rate on provisions	36	33	36	33
	936	153	936	153

Recognition and measurement

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

f) Other expenses

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Joint Roll Agreement (payment to the Commonwealth) ¹	2,423	2,419	2,423	2,419
Funding of Candidates, Groups and Political Parties	14,408	31,627	14,408	31,627
	16,831	34,046	16,831	34,046

¹Joint Roll Agreement

Notes to the financial statements

for the year ended 30 June 2021

An Arrangement between the Governor General of the Commonwealth and the Governor of New South Wales to provide for a joint electoral enrolment procedure was signed on 21 October 2010. The 'Exchange of Information Agreement' between the Australian Electoral Commission (AEC) and the NSWEC pursuant to this arrangement was executed on the same day. This agreement sets a cost per elector rate and allows for escalation at the Sydney Consumer Price Index. The charge is payable from the NSWEC to the AEC. For the year ending 30 June 2021 the amount payable per elector is \$0.868 (2020: \$0.871). AEC has agreed to provide NSWEC a 50 per cent reduction on the full national per elector rate for the year ended 30 June 2021.

Recognition and measurement

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

3. Revenue

Recognition and measurement

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

a) Appropriations and transfers to the Crown Entity

Summary of compliance

	2021 \$'000s			2020 \$'000s		
	Appropriation	Expenditure	Variance	Appropriation	Expenditure	Variance
Original budget per Appropriation Act	161,916	84,277	77,639	114,356	90,292	24,064
Total annual appropriations/ expenditure/net claim on annual appropriations (includes transfer payments)	161,916	84,277	77,639	114,356	90,292	24,064
Amount drawn down against annual appropriations*	-	84,277	-	-	90,292	-
Liability for lapsed appropriations drawn down	-	-	-	-	-	-
*Comprising:						
Appropriations (per Statement of Comprehensive Income)**	161,916	84,277	77,639	114,356	90,292	24,064
	161,916	84,277	77,639	114,356	90,292	24,064
**Appropriations (per statement of comprehensive income):						
Recurrent	150,552	77,595	72,957	98,451	82,950	15,501
Capital	11,364	6,682	4,682	15,905	7,342	8,563
	161,916	84,277	77,639	114,356	90,292	24,064

Notes to the financial statements

for the year ended 30 June 2021

Movement of Section 4.7 GSF Act

Deemed appropriations:

	2021 \$'000	2020 \$'000
Opening balance	-	-
Add: Appropriations deemed on 1 July 2019	-	-
Add: additions of deemed appropriations	354	822
Less: expenditure charged against deemed appropriations	(354)	(822)
Closing balance	-	-

Recognition and measurement

Parliamentary appropriations other than deemed appropriations

Income from appropriations, other than deemed appropriations (of which the accounting treatment is based on the underlying transaction), does not contain enforceable and sufficiently specific performance obligations as defined by AASB 15. Therefore, except as specified below, appropriations (other than deemed appropriations) are recognised as income when NSWEC obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Appropriations are not recognised as income in the following circumstances:

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

b) Sale of goods and services from contracts with customers

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Rendering of services from contracts with customers				
Local government, Aboriginal Land Titles and other statutory elections	2,727	1,121	2,727	1,121
	2,727	1,121	2,727	1,121

Notes to the financial statements

for the year ended 30 June 2021

Recognition and measurement

Rendering of services

Revenue from rendering of services is recognised when the NSWEC satisfies the performance obligations by transferring the promised services.

Type of service	Nature of timing of satisfaction of performance obligation, including significant payment terms	Revenue recognition policies
Conduct of local council, NSW Land council and certain statutory elections.	NSWEC in their contract with these entities details service levels. The customers are invoiced upon completion of the election and all costs of the election have been finalised. NSWEC may receive payments in advance.	As service levels are met NSWEC recognises revenue for these services over time which approximate the costs incurred to date. Revenue from the election management fee is also brought to account in line with when service levels are met.

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

c) Acceptance by the Crown Entity of Employee Benefits and Other Liabilities

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

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Superannuation-defined benefit	53	64	-	-
Long service leave	264	71	-	-
Payroll tax	3	4	-	-
	320	139	-	-

Notes to the financial statements

for the year ended 30 June 2021

4. Gains/(losses) on disposal

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Plant and equipment				
Plant and equipment (gross carrying amount)	5,046	-	5,046	-
Less: accumulated depreciation	(5,044)	-	(5,044)	-
Written down value	2	-	2	-
Proceeds	-	-	-	-
Net gain on disposal of plant and equipment	(2)	-	(2)	-
Intangible assets				
Intangible assets (gross carrying amount)	696	1,856	696	1,856
Less: accumulated amortisation	(236)	(375)	(236)	(375)
Written down value	460	1,481	460	1,481
Proceeds	-	-	-	-
Net loss on disposal of intangible assets	(460)	(1,481)	(460)	(1,481)
Net gain/(loss) on disposal of plant, equipment and intangible assets	(462)	(1,481)	(462)	(1,481)

5. Other gains/(losses)

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Impairment losses on right-of-use assets	(1,166)	(6,721)	(1,166)	(6,721)
	(1,166)	(6,721)	(1,166)	(6,721)

Recognition and measurement

Impairment losses on non-financial assets

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

Leases - [note 12](#)

Intangible assets - [note 13](#)

Notes to the financial statements

for the year ended 30 June 2021

6. Program group statement

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

7. Current assets – cash and cash equivalents

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	6,024	4,101	6,024	4,101
	6,024	4,101	6,024	4,101

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

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

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and cash equivalents (per Statement of financial position)	6,024	4,101	6,024	4,101
Closing cash and cash equivalents (per statement of cash flows)	6,024	4,101	6,024	4,101

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

8. Current assets – receivables

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Trade receivables from contracts with customers	47	493	47	493
GST recoverable from the taxation authority	704	466	704	466
Prepayments	4,022	1,285	4,022	1,285
Deposits Recoverable	557	15	557	15
Other receivables	25	31	25	31
	5,355	2,290	5,355	2,290

For the year ended 30 June 2021, there were no impairment of trade receivables (2020: \$Nil).

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in [note 26](#).

Notes to the financial statements

for the year ended 30 June 2021

Recognition and measurement

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

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

Subsequent measurement

NSWEC holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

NSWEC recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that NSWEC expects to receive, discounted at the original effective interest rate.

For trade receivables, NSWEC applies a simplified approach in calculating ECLs. NSWEC recognises a loss allowance based on lifetime ECLs at each reporting date. NSWEC has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

9. Contract assets and liabilities

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Contract assets – current	2,317	3	2,317	3
Less: impairment allowance	-	-	-	-
	2,317	3	2,317	3
Contract receivables included in note 8	47	493	47	493

Recognition and measurement

Contract assets relate to NSWEC's right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date in respect of conduct of local government, NSW Aboriginal Land Council and commercial elections. Contract assets have increased significantly due to local government elections to be held in September 2021.

Contract liabilities relate to consideration received in advance from customers in respect of large commercial elections. Contract liabilities 30 June 2021 \$Nil (2020 \$Nil).

	2021 \$'000	2020 \$'000
Revenue recognised that was included in the contract liability balance (adjusted for AASB 15) at the beginning of the year	-	-
Revenue recognised from performance obligations satisfied in previous periods	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	41,823	46,287

The Transaction price allocated to the remaining performance obligations relates to Local Government Elections which is expected to be recognised as revenue in FY2021–22.

Notes to the financial statements

for the year ended 30 June 2021

10. Current assets – inventories

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Held for distribution				
Requisite election materials – at cost	128	90	128	90
	128	90	128	90

Recognition and measurement

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount or any loss of operating capacity due to obsolescence. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using weighted average cost method.

11. Non-current assets – plant and equipment consolidated and parent

	Computer Hardware	Furniture, Fittings & Leasehold Improvement	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
At 1 July 2019 – fair value				
Gross carrying amount	3,908	4,432	655	8,995
Accumulated depreciation	(3,036)	(3,523)	(517)	(7,076)
Net carrying amount	872	909	138	1,919
Year ended 30 June 2020				
Net carrying amount at start of the year	872	909	138	1,919
Additions	172	-	7	179
Depreciation expense	(304)	(533)	(30)	(867)
Net carrying amount at end of the year	740	376	115	1,231
At 1 July 2020 – fair value				
Gross carrying amount	4,080	4,432	662	9,174
Accumulated depreciation	(3,340)	(4,056)	(547)	(7,943)
Net carrying amount	740	376	115	1,231

Notes to the financial statements

for the year ended 30 June 2021

	Computer Hardware	Furniture, Fittings & Leasehold Improvement	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2021				
Net carrying amount at start of the year	740	376	115	1,231
Additions	363	91	-	454
Disposals	(2)	-	-	(2)
Depreciation expense	(375)	(357)	(30)	(762)
Net carrying amount at end of the year	726	110	85	921
At 30 June 2021 - fair value				
Gross carrying amount	3,058	864	660	4,582
Accumulated depreciation	(2,332)	(754)	(575)	(3,661)
Net carrying amount	726	110	85	921

Recognition and measurement

Acquisition of plant and equipment

Plant and equipment are initially measured at cost and subsequently valued at fair value less accumulated depreciation and impairment.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted over the period of credit.

Capitalisation thresholds

Plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the NSWEC.

All material separately identifiable components of assets are depreciated over their useful lives.

Asset type	Useful life
Computer hardware	4 Years
Plant and equipment	7 Years
Furniture and fixtures	8 Years
Leasehold improvements	7 Years*

*Or to the end of the lease, if shorter

Right-of-Use Assets acquired by lessees (under AASB 16 from 1 July 2019)

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. NSWEC has elected to present right-of-use assets separately in the Statement of Financial Position.

Further information on leases is contained at [note 12](#).

Notes to the financial statements

for the year ended 30 June 2021

Revaluation of property, plant and equipment

Consistent with the “Valuation of Physical Non-Current assets at Fair Value” Policy and Guidelines Paper (TPP 14-01) NSWEC measures its physical non-current assets at fair value. This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. The NSWEC has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

The NSWEC does not have any assets that are subject to fair value measurement. Its plant and equipment assets are measured using depreciated historical cost as a surrogate for fair value.

The net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As plant and equipment is carried at fair value, or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

12. Leases

NSWEC leases various properties. Lease contracts are typically made for fixed periods of 2 to 12 years with extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. NSWEC does not provide residual value guarantees in relation to leases.

Extension options are included in NSWEC property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The extension options held are exercisable only by NSWEC and not by the respective

lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

AASB 16 *Leases* (AASB16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

NSWEC has elected to recognise payments for short-term leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less.

Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property. NSWEC has no right-of-use assets that meet the definition of investment property.

Buildings

	2021 \$'000	2020 \$'000
Balance at 1 July	35,900	4,561
Additions	413	41,079
Impairment losses	(1,166)	(6,721)
Depreciation expense	(4,394)	(3,019)
Balance at 30 June	30,753	35,900

Lease liabilities

The following table presents liabilities under leases.

	2021 \$'000	2020 \$'000
Balance at 1 July	42,151	4,561
Additions	413	40,481
Interest expenses	900	120
Payments	(5,124)	(3,011)
Balance at 30 June	38,340	42,151

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where NSWEC is the lessee:

Notes to the financial statements

for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use assets	4,394	3,019
Impairment losses	1,166	6,721
Interest expense on lease liabilities	900	120
Expense relating to short-term leases	883	140
Total amount recognised in the statement of comprehensive income	7,343	10,000

NSWEC had total cash outflows for leases of \$6m in FY2020–21 (FY2019–20: \$3.2m).

Recognition and measurement

NSWEC assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NSWEC recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i) Right-of-use assets

NSWEC recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings – 2 to 12 years

The right-of-use assets are also subject to impairment. NSWEC assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the NSWEC estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been

determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

In FY2020 there was a decrease in rental costs due to COVID-19 which resulted in the right-of-use assets being impaired by \$6.7m. A further impairment of \$1.2m was recognised in the current financial year (see [note 12](#)).

ii) Lease liabilities

At the commencement date of the lease, NSWEC recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by NSWEC; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for NSWEC's leases, the lessee's incremental borrowing rate is used, being the rate that NSWEC would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NSWEC's lease liabilities are included in borrowings.

iii) Short-term leases and leases of low-value assets

NSWEC applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption for leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Notes to the financial statements

for the year ended 30 June 2021

13. Intangible assets – consolidated and parent

	Software	Total
	\$'000	\$'000
At 1 July 2019		
Gross carrying amount	35,481	35,481
Accumulated amortisation	(17,039)	(17,039)
Net carrying amount	18,442	18,442
Year ended 30 June 2020		
Net carrying amount at start of the year	18,442	18,442
Additions – internally developed software	7,245	7,245
Disposals	(1,481)	(1,481)
Amortisation expense (recognised in 'depreciation and amortisation')	(3,487)	(3,487)
Net carrying amount at end of the year	20,719	20,719
At 1 July 2020		
Gross carrying amount	40,867	40,867
Accumulated amortisation	(20,148)	(20,148)
Net carrying amount	20,719	20,719
Year ended 30 June 2021		
Net carrying amount at start of the year	20,719	20,719
Additions	6,042	6,042
Disposals	(460)	(460)
Amortisation expense (recognised in 'depreciation and amortisation')	(2,944)	(2,944)
Net carrying amount at end of the year	23,357	23,357
At 30 June 2021		
Gross carrying amount	46,214	46,214
Accumulated depreciation	(22,857)	(22,857)
Net carrying amount	23,357	23,357

Recognition and measurement

The NSWEC recognises intangible assets only if it is probable that future economic benefits will flow to the NSWEC and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the NSWEC's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

NSWEC's intangible assets solely comprise of software.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

Notes to the financial statements

for the year ended 30 June 2021

The useful lives of intangible assets are assessed to be finite.

The NSWEC's intangible assets are amortised using the straight-line method over a period of between 4 years and 12 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

14. Current liabilities – payables

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Accrued salaries, wages and on-costs	447	333	-	-
Accrued personnel services	-	-	447	333
Creditors	5,404	3,051	5,404	3,051
	5,851	3,384	5,851	3,384

Accrued personnel services payable relate to the accrued cost of personnel services provided by the New South Wales Electoral Commission Staff Agency. Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables, are disclosed in [note 26](#).

Recognition and measurement

Payables represent liabilities for goods and services provided to the NSWEC and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through amortisation.

15. Current/Non-current liabilities – borrowings

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Lease liability (see note 12)	2,583	4,097	2,583	4,097
Non-current				
Lease liability (see note 12)	35,757	38,054	35,757	38,054
Total borrowings	38,340	42,151	38,340	42,151

Recognition and measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

Notes to the financial statements

for the year ended 30 June 2021

Changes in liabilities arising from financing activities

	Leases	Total
	\$'000	\$'000
1 July 2019	-	-
Recognised on adoption of AASB 16	4,561	4,561
Adjusted 1 July 2019	4,561	4,561
New leases	40,481	40,481
Cash flows	(2,891)	(2,891)
30 June 2020	42,151	42,151
New leases	413	413
Cash flows	(4,224)	(4,224)
30 June 2021	38,340	38,340

16. Current/Non-current liabilities – provisions

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Current				
Personnel services and employee benefits^(a)				
Annual leave	3,247	2,581	55	50
Long service leave on-costs	434	403	19	16
Personnel services	-	-	3,607	2,918
	3,681	2,984	3,681	2,984
Other provisions				
Restoration costs	-	823	-	823
Total current provisions	3,681	3,807	3,681	3,807
Non-current				
Long service leave on-costs	43	35	-	-
Personnel services	-	-	43	35
	43	35	43	35
Other provisions				
Restoration costs	613	599	613	599
Total non-current provisions	656	634	656	634

Notes to the financial statements

for the year ended 30 June 2021

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Aggregate personnel services, employee benefits and related on-costs				
Provisions – current	3,681	2,984	3,681	2,984
Provisions – non-current	43	35	43	35
Accrued salaries, wages and on-costs (note 14)	447	333	-	-
Accrued personnel services (note 14)	-	-	447	333
	4,171	3,352	4,171	3,352

^(a)The personnel services provision and the employee benefits provision include a value of leave and on-costs expected to be taken within twelve months and after twelve months as follows:

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Short term – less than twelve months				
Annual leave	2,048	1,712	55	50
Long service leave on-costs	434	403	19	16
Personnel services	-	-	2,408	2,049
	2,482	2,115	2,482	2,115
Long term – after 12 months				
Annual leave	1,199	869	-	-
Long service leave on-costs	43	35	-	-
Personnel services	-	-	1,242	904
	1,242	904	1,242	904

Movements in other provisions (other than personnel services or employee benefits)

Movements in each class of provisions during the financial year, other than employee benefits, are set out below:

	Restoration Provision	Total
	\$'000	\$'000
Carrying amount at the beginning of financial year	1,422	1,422
Additional provisions recognised	74	74
Amounts used	(919)	(919)
Unwinding/change in the discount rate	36	36
Carrying amount at end of financial year	613	613

Notes to the financial statements

for the year ended 30 June 2021

Recognition and measurement

Employee benefits and related on-costs

The New South Wales Electoral Commission Staff Agency provides employees to the NSWEC entity to enable it to carry out its functions. Personnel services provision relates to employee related provisions for those employees employed by the New South Wales Electoral Commission Staff Agency.

Employee benefits provision relates to employees directly employed by the NSWEC.

Employee related provisions include:

a) Salaries and wages, annual leave, sick leave and on-costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although shortcut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The NSWEC has assessed the actuarial advice based on the NSWEC's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

b) Long service leave and superannuation

The NSWEC's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The NSWEC accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employee's salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employee's superannuation contributions.

c) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation, insurance premiums and fringe benefits tax.

Other provisions

Other provisions are recognised when: the NSWEC has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the NSWEC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

Any provisions for restructuring are recognised only when NSWEC has a detailed formal plan and the NSWEC has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

Notes to the financial statements

for the year ended 30 June 2021

17. Equity

Recognition and measurement

Accumulated funds

The category accumulated funds includes all current and prior period retained funds.

18. Commitments for expenditure

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Capital commitments				
Aggregate capital expenditure contracted for at balance date and not provided for:				
Not later than one year	818	516	818	516
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Total (including GST)	818	516	818	516

These capital commitments are not recognised in the financial statements as liabilities. The amount of tax recoverable from the Australian Taxation Office included within commitments is \$74,000 (2020: \$47,000).

19. Contingent liabilities and contingent assets

The NSWEC has no contingent liability as at 30 June 2021 (2020: Nil).

The NSWEC has no contingent assets as at 30 June 2021 (2020: Nil).

20. Budget review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

The net result of \$6.0m gain is \$1.8m less than the full year budgeted net result of \$7.8m. Appropriations revenue is down by \$77.6m. This was mainly due to the postponement of the Local Government Elections by the NSW Government by 12 months to September 2021. The corresponding costs of the election are also down against budget by \$59.7m in Employee related expenses and \$31.0m in other expenses. Other revenue is also down \$43.1m and Transfers to the Crown Entity is down by

\$44.0m as this is the money recovered from Councils for the direct cost of the elections and transferred back to the Crown. This will now occur in the 2021/22 financial year when the elections are conducted.

Assets and Liabilities

Current Receivables of \$5.4m are below budget by \$2.9m as the budget includes the receivable from Councils of the direct recoverable costs of the election. The actual receivable for the recoverable costs from Councils of \$2.3m is included in the Contract assets category. Intangible assets of \$23.4m are down against a budget of \$27.2m due to the delay in the delivery of capital projects which resulted in a reduction in Intangible asset investment of \$3.2m.

Cash Flows

There is a \$4.9m reduction in investing activity cash flow against a budget of \$11.4m. This is mainly due to 3 capital projects being delayed in their delivery. Net cash flow from operating activities is \$3.5m down against the full year budget of \$16.2m. This is mainly due to the requested carry forward of \$4.7m in operational projects. The two largest carry forward projects are Legislative Reforms \$2.5m and Redistribution \$1.5m

Notes to the financial statements

for the year ended 30 June 2021

21. Reconciliation of cash flows from operating activities to net result

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net cash flows from operating activities	12,643	13,722	12,643	13,722
Depreciation and amortisation	(8,099)	(7,373)	(8,099)	(7,373)
Impairment of Intangibles and Right-of-use assets	(1,166)	(6,721)	(1,166)	(6,721)
Decrease/(increase) in provisions and other liabilities	103	(221)	103	(221)
Increase/(decrease) in receivables and other assets	3,103	647	3,103	647
Increase/(decrease) in contract assets	2,314	3	2,314	3
Decrease/(increase) in payables	(2,467)	523	(2,467)	523
Net gain/(loss) on disposal of plant and equipment & intangible assets	(462)	(1,481)	(462)	(1,481)
Net result	5,969	(901)	5,969	(901)

22. Administered assets and liabilities

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

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

	2021 \$'000	2020 \$'000
Administered assets:		
Receivables – fines for failure to vote	344	2
Cash at bank	35	26
Administered liabilities:		
Payables – refund of fines for failure to vote	-	(16)
Payables – Crown Entity	(16)	(12)
Payables – Local Government entities	(18)	(14)
Reconciliation of administered assets		
Opening balance	(14)	20,657
New fines issued	370	28
Nomination deposits received	2	-
Fines written back	(10)	(7,706)
Fines paid	(3)	(1,874)
Referred for collection to Revenue NSW	-	(11,119)
Administered assets/(liabilities)	345	(14)

Notes to the financial statements

for the year ended 30 June 2021

23. Administered expenses – debts written off

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fines written back	(10)	(7,706)	(10)	(7,706)

24. Administered income

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Fines for failure to vote	370	28	344	28

25. Financial instruments (parent and consolidated)

The NSWEC's principal financial instruments are outlined below. These financial instruments arise directly from the NSWEC's operations or are required to finance the NSWEC's operations. The NSWEC does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The NSWEC's main risks arising from financial instruments are outlined below, together with the NSWEC's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Electoral Commissioner has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the NSWEC, to set risk limits and controls and to monitor risks. From time to time, compliance with policies is reviewed by the Audit & Risk Committee.

a) Financial instrument categories

Class	Note	Category	Carrying amount	
			2021 \$'000	2020 \$'000
Financial Assets				
Cash and cash equivalents	7	N/A	6,024	4,101
Receivables *	8	Amortised cost	629	539
Contract assets	9		2,317	3
Financial Liabilities				
Payables **	14	Financial liabilities measured at amortised cost	5,759	3,292
Borrowings	15	Financial liabilities measured at amortised cost	38,340	42,151

Notes * Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

** Excludes statutory payables and unearned income (i.e. not within scope of AASB 7).

NSWEC determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

Notes to the financial statements

for the year ended 30 June 2021

b) Financial Risk

i) Credit Risk

Credit risk arises when there is the possibility of the NSWEC's debtors defaulting on their contractual obligations, resulting in a financial loss to the NSWEC. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or impairment).

Credit risk arises from the financial assets of the NSWEC, including cash, receivables and contract assets. No collateral is held by the NSWEC. The NSWEC has not granted any financial guarantees.

Credit risk associated with the NSWEC's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Accounting policy for impairment of trade receivables and other financial assets

Receivables - trade receivables and contract assets

All trade receivables and contract assets are recognised as amounts receivable at balance date. Collectability of trade receivables and contract assets is reviewed on an ongoing basis. No interest is earned on trade receivables or contract assets. Sales are made on 30 day terms. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off.

The NSWEC applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on historical observed loss rates. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

NSWEC does not have a history of impairment losses. The loss allowance for trade receivables as at 30 June 2021 and 30 June 2020 is \$Nil.

Based on past experience, trade receivables that are not past due (past due 2021: \$Nil and 2020: \$Nil) represent 100% of the total trade debtors.

ii) Liquidity Risk

Liquidity risk is the risk that the NSWEC will be unable to meet its payment obligations when they fall due. The NSWEC continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

The NSWEC's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12.

For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest.

Notes to the financial statements

for the year ended 30 June 2021

The table below summarises the maturity profile of NSWEC's financial liabilities, together with the interest rate exposure.

	Interest rate exposure					Maturity dates		
	Weighted average effective interest rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr.	1-5 yrs.	> 5 yrs.
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021								
Payables	-	5,759	-	-	5,759	5,759	-	-
Borrowings								
Lease liabilities	2.29	38,340	38,340	-	-	2,583	11,649	24,108
2020								
Payables	-	3,292	-	-	3,292	3,292	-	-
Borrowings								
Lease liabilities	2.22	42,151	-	-	42,151	4,097	10,815	27,239

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. NSWEC has no exposure to borrowings or foreign currency risk and does not enter into commodity contracts.

iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. NSWEC does not have exposure to interest rate risk through interest bearing liabilities. NSWEC does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The NSWEC's exposure to interest rate risk is set out below:

	Carrying amount \$'000	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2021					
Financial assets					
Cash and cash equivalents	6,024	-	-	-	-
Receivables	629	-	-	-	-
Contract assets	2,317	-	-	-	-
Financial Liabilities					
Payables	5,759	-	-	-	-
Borrowings – Lease liabilities	38,340	-	-	-	-

Notes to the financial statements

for the year ended 30 June 2021

	Carrying amount \$'000	-1%		1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2020					
Financial assets					
Cash and cash equivalents	4,101	-	-	-	-
Receivables	539	-	-	-	-
Contract assets	3	-	-	-	-
Financial Liabilities					
Payables	3,292	-	-	-	-
Borrowings – Lease liabilities	42,151	-	-	-	-

c) Fair value measurement

i) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

ii) Fair value recognised in the statement of financial position

The NSWEC does not have any financial assets at fair value recognised in the statement of financial position.

26. Related party disclosures

The Key Management Personnel are defined as, the Electoral Commissioner, Electoral Commission members and Executive Directors.

The NSWEC's key management personnel compensation are as follows:

	Consolidated	
	2021 \$'000	2020 \$'000
Short-term employee benefits		
Salaries	1,618	1,613
Other monetary allowances	5	13
Other long-term employee benefits	32	35
Post-employment benefits	121	118
Total remuneration	1,776	1,779

No material transactions took place between the NSWEC and key management personnel, their close family members and controlled or jointly controlled entities thereof during the year.

Notes to the financial statements

for the year ended 30 June 2021

During the year, the NSWEC entered into transactions on arm's length terms and conditions with other entities controlled by the NSW Government. These transactions include:

- Appropriations from the Crown Entity
- Administering income, expenses, assets and liabilities on behalf of the Crown Entity
- Leasing of properties from Government Property NSW
- Long service leave and defined benefit superannuation assumed by the Crown Entity
- Payments into the icare TMF Scheme
- Payment to the Audit Office of NSW for the audit of our financial statements
- Provision of data centre services with the New South Wales Department of Customer Services.

27. Events after reporting period

Due to the COVID-19 pandemic and current public health orders impacting Greater Sydney, the Minister for Local Government made an Order on 24 July 2021 postponing the Local Government elections from 4 September 2021 until 4 December 2021. NSWEC has determined that this is a non-adjusting subsequent event. The Government have provided assurance that the necessary resources to undertake the deferred local government elections will be made available and that NSWEC are able to make expenditure decisions with that comfort.

There are no other events subsequent to balance date which affect the financial statements.



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References

Index to NSW Treasury annual report requirements	100
General index	102
Glossary	104

Index to NSW Treasury annual report requirements

As per the [Annual reporting compliance checklist](#):

Item	Page
Letter of submission (see Letter of transmittal)	Inside cover
Application for extension of time	N/A
Charter (see Establishment)	6
Aims and objectives (see What we do)	7
Access	Back cover
Management and structure	8, 9
Summary review of operations	16-27; Annexure A
Funds granted to non- government community organisations	N/A
Legal change (see Legislative change)	11
Economic or other factors	N/A
Management and activities	8-9, 12-13, 16-27, Annexure A
Research and development	N/A
Human resources (see Our people and work environment)	34-37
Consultants	60
Workforce diversity (see Workplace diversity)	35
Disability Inclusion Action Plan	22
Land disposal	N/A
Promotion	N/A
Consumer response (see Complaints and consumer response)	40
Payment of accounts	60
Time for payment of accounts	60
Risk management and insurance activities	38-40
Internal audit and risk management policy attestation	42-43
Disclosure of controlled entities	N/A
Disclosure of subsidiaries	N/A
Multicultural Policies and Services Program (see Multicultural Action Plan)	22
Agreements with Multicultural NSW (see Multicultural Action Plan)	22
Work health and safety (see Workplace health, safety and wellbeing)	37
Budgets	N/A
Financial statements	66-97

Item	Page
Identification of audited financial statements	63-65
Inclusion of unaudited financial statements	N/A
Additional matters for inclusion in annual reports:	
<i>Privacy and Personal Information Protection Act 1998</i>	45
After balance date events	97
External production costs of the annual report (nil)	1
Website for access of annual report	1
Investment performance	N/A
Liability management performance	N/A
Exemptions	N/A
Numbers and remuneration of senior executives	34
Implementation of price determination	N/A
Government Information (Public Access) Act 2009	45-49
Cyber Security Policy (CSP) attestation	44
Public Interest Disclosures (PID)	45
Requirements arising from employment arrangements	N/A

General index

A	
Aboriginal Land Council elections	6, 11
Audit and Risk Committee	39, 40
Australian Electoral Commission	6, 7, 20, 76
B	
Behaviours	16
C	
Community	18, 22, 26
Complaints	40
Culturally and linguistically diverse	22, 26
Customer feedback (see Complaints)	
Cyber security	23, 39, 44
D	
Disability	22, 35
Diversity	35
Donations	21, 22, 26
E	
Efficiency dividend	13
Elections	52
<i>Electoral Act 2017</i>	6, 7, 27, 49, 52
Electoral Commissioner	5, 6, 8, 11, 12
Electoral Council of Australia and New Zealand	23
<i>Electoral Funding Act 2018</i>	6, 7, 56
Electoral Regulation Research Network	23
Enforcement	6
Enrolment	49
Establishment	6

F	
Financial statements	60-97
Funding and disclosure Online	21
G	
Governance	38-40
<i>Government Information (Public Access) Act 2009 (GIPA Act)</i>	45
I	
Independent Commission Against Corruption (ICAC)	13, 40
Independent Auditor's Report	63
Investigations	40, Annexure A
iVote	21
J	
Joint Standing Committee on Electoral Matters	6, 12, 22
L	
Legislative change	11
Letter of transmittal	Inside front cover
Litigation	56
<i>Lobbying of Government Officials Act 2011</i>	6, 7, 56
Local government elections	5, 6, 11, 20, 21, 22, 37, 52, 54
M	
Major works	61
Management and structure	9
N	
Nominations Online Management System	21

P	
People	34-37
People Matter Employee Survey	37
Privacy	45
<i>Privacy and Personal Information Protection Act 1998 (PPIP Act)</i>	45-49
Prosecutions	37
Public Interest Disclosures	45
R	
Reference groups	22
Registration, political parties	54, 55
Risk management	38-44
S	
Staff training and development	36
State by-election	52
Statutory, registered clubs and industrial elections	52, 53
<i>Strategic Plan</i>	18-21
V	
Values, Vision	16
W	
Workplace health, safety and wellbeing	37

Glossary

Refer also to the [Glossary](#) on our website.

Name/Title	Definition
Candidate	<p>A person who is nominated in accordance with the <i>Electoral Act 2017</i> for election to political office and whose nomination has been accepted by the Electoral Commissioner. Only duly nominated candidates have their names included on a ballot paper.</p> <p>Under the <i>Electoral Funding Act 2018</i>, a candidate includes a person registered as a candidate under the <i>Electoral Funding Act 2018</i> for the purpose of accepting political donations and electoral expenditure.</p> <p>A candidate under the <i>Electoral Funding Act 2018</i> also includes an unregistered candidate who has accepted a political donation or made a payment for electoral expenditure for the election.</p>
Cap on political donations	<p>Political donations made to registered political parties, unregistered parties, elected members, groups, candidates, associated entities and third-party campaigners are subject to caps. There are different caps applicable to registered political parties, unregistered parties, elected members, groups, candidates, associated entities and third-party campaigners.</p>
Disclosure	<p>The disclosure of political donations and electoral expenditure by a party, elected member, candidate, group, third-party campaigner, associated entity or major political donor to the NSW Electoral Commission.</p>
Donor	<p>A person or entity who makes a political donation to a party, elected member, candidate, group or other person or entity (including a third-party campaigner or associated entity).</p> <p>See also: Major political donor.</p>
Elector	<p>A person eligible to vote at an election. To be eligible to vote, a person must be aged 18 years or over on the election day, an Australian citizen, and resident at an address in NSW for at least one month before they enrol. Note that a person can enrol to vote at a voting centre on election day.</p>
Electoral expenditure	<p>Electoral expenditure is money or its equivalent spent: promoting or opposing a political party or political participant (directly or indirectly) influencing (directly or indirectly) the voting at an election.</p>
Enrolment	<p>The process of officially registering to be on the list of voters.</p>
iVote	<p>Officially 'technology assisted voting' (see Division 11 <i>Electoral Act 2017</i>), the internet and telephone-based voting system administered in NSW State elections by the NSW Electoral Commission.</p>
Major political donor	<p>A person or entity (other than a party, elected member, group or candidate) who makes a reportable political donation of or exceeding \$1,000.</p> <p>See also: Donor.</p>
Nomination	<p>The process by which a person applies to become a candidate for election. Note that this is different from 'registration' under the <i>Electoral Funding Act 2018</i>.</p>
Political donation	<p>A political donation is a gift made to, or for the benefit of, a political participant. The precise meaning of political donation is different for each type of political participant.</p>

Name/Title	Definition
Political participant	<p>Individuals and groups actively involved in the electoral process. Political participants include:</p> <ul style="list-style-type: none"> • candidates and groups • political parties • members of Parliament and councillors • party agents and official agents • associated entities • third-party campaigners • political donors • third-party lobbyists.
Redistribution	<p>To ensure the number of electors in each New South Wales electoral district remains approximately the same over time, the <i>Constitution Act 1902</i> requires that electoral district boundaries are reviewed and adjusted if necessary. This formal process is called a redistribution, and must take place after every second New South Wales State general election. See the section in this report headed "Redistribution of electoral districts" for more information.</p>
Registered party	<p>A political party on the Register of Parties kept by the Electoral Commissioner under the <i>Electoral Act 2017</i>. To be eligible to be registered, a party must have at least 750 members, and have a written constitution, however that is expressed.</p>
Registration	<p>In relation to a candidate, group of candidates or third-party campaigner for the election, means being registered under the <i>Electoral Funding Act 2018</i> for the purposes of accepting political donations and making payments for electoral expenditure</p>
Reportable political donation	<p>A political donation of or more than \$1,000 made to or for the benefit of a party, elected member, group, candidate, associated entity or third-party campaigner.</p>



A

Annexure

From the Chairperson of the Electoral Commission	2
Constitution and members of the Electoral Commission	4
Meetings of the NSW Electoral Commission	6
Highlights from 2020-21	7
Functions of the Electoral Commission	8
Inquiries, reports and reviews	10
Education and research activities	12
Legislative change	15
Funding and Disclosure Online	16
Registration of electoral participants	17
Registration of third-party lobbyists	19
Adjustment for inflation of monetary amounts	20
Disclosures of political donations and electoral expenditure	22
Obligations of registered parties and senior office holders	34
Public funding	35
Compliance and enforcement	44
Litigation	54
Looking forward to 2021-22	56
Glossary	57

The Hon. Matthew Ryan Mason-Cox MLC
President, Legislative Council
Parliament House
Macquarie Street
Sydney NSW 2000

The Hon. Jonathan O'Dea MP
Speaker Legislative Assembly
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Mr President and Mr Speaker

In accordance with section 154 of the *Electoral Funding Act 2018* (EF Act), I am pleased to present the *Report of the NSW Electoral Commission* (Electoral Commission) in respect to its work and activities under the Act for the year 2020–21, including statistical information on the use of enforcement powers.

I recommend that the Report be laid before the Council and the Assembly as soon as practicable.

Yours sincerely,



The Hon Keith Mason, AC QC
Chairperson, NSW Electoral Commission

Contents

From the Chairperson of the Electoral Commission	2	Obligations of registered parties and senior office holders	34
Constitution and members of the Electoral Commission	4	Audited annual financial statements of registered parties	34
Meetings of the NSW Electoral Commission	6	Senior office holders of registered parties	34
Highlights from 2020–21	7	Public funding	35
Functions of the Electoral Commission	8	Election Campaigns Fund	35
Delegations	8	Administration Fund	37
Guidelines	8	New Parties Fund	42
Extensions of time	9	Public funding payments not made	43
Policies	9	Repayments of public funding	43
Inquiries, reports and reviews	10	Compliance and enforcement	44
Education and research activities	12	Limits on authority to disclose compliance and enforcement information	44
Raising awareness of political donation laws	12	Compliance structure	44
2021 NSW Local Government elections	12	Information management and case recording	46
Upper Hunter State by-election	14	Audit and compliance activities	46
Professional development training for members of Parliament	14	Failure to lodge disclosures	47
Political donation and electoral expenditure disclosures	14	Reviews and investigations	50
Legislative change	15	Use of enforcement powers	52
Funding and Disclosure Online	16	Recovery of unlawful political donations and electoral expenditure incurred in excess of an applicable expenditure cap	52
Registration of electoral participants	17	Compliance agreements	53
Candidate, group, third-party campaigner, associated entity, party agent and official agent registrations	17	Penalty notices issued in accordance with the Fines Act and internal review of decisions	53
Notification of party agent consents	18	Litigation	54
Registration of third-party lobbyists	19	Failure to vote proceedings	54
Adjustment for inflation of monetary amounts	20	Failure to lodge disclosure proceedings	54
Political donations and indirect campaign contributions	20	Other Election Funding, Expenditure and Disclosures Act proceedings	54
Electoral expenditure	20	Civil proceedings	55
Public funding	21	Looking forward to 2021–22	56
Disclosures of political donations and electoral expenditure	22	Glossary	57
Disclosures required to be made	22		
Who is responsible for making disclosures?	22		
How are disclosures made?	23		
Disclosures received during 2020–21	24		

From the Chairperson of the Electoral Commission

I am pleased to provide a report on the work and activities of the Electoral Commission for 2020–21. This report has been prepared in accordance with section 154 of the *Electoral Funding Act 2018* and includes statistical information on the use of enforcement powers.

It is the first time that the Electoral Commission has tabled a report under section 154 about its work and activities separately from the agency's annual report. This is a decision that was taken by the Electoral Commission both to meet the statutory deadline for tabling the section 154 report (which does not align precisely to deadlines for tabling agency annual reports), as well as to highlight the independent role of the Electoral Commission in regulating participants in NSW electoral and political processes.

The Electoral Commission has continued to meet regularly during the year despite the challenges of the COVID-19 pandemic. At each meeting the Electoral Commission reviewed current activities, monitored the progress of compliance matters and made decisions as required. The Electoral Commission has continued to adapt its processes and planning during the year to meet the additional demands arising from COVID-19, including the shifting date of the Local Government elections and regulation of the funding and disclosure obligations remotely. I congratulate the NSW Electoral Commission's dedicated staff for their hard work in the diligent and skilful management of the ongoing challenges. I also thank my fellow members Len Scanlan and John Schmidt, as well as my Deputy as Chairperson, the Hon Joseph Campbell QC, for their commitment, support and effort in ensuring that the Electoral Commission continues to deliver trusted and independent systems, processes, oversight and engagement that support democracy in New South Wales.

While the disruptions of the COVID-19 pandemic have created a demanding environment in which to operate, the Electoral Commission's achievements across the year have included the completion of projects that place us in an excellent position to perform our functions better, as well as facilitate closer engagement with elections and electoral regulation stakeholders. Most significantly, a secure, accessible portal – Funding and Disclosure Online – was launched in June 2021 with extended functionality proposed for next year. The launch of the portal is the exciting culmination of many years of reviews and planning about how to improve transparency of the democratic process in NSW utilising the benefits of technology. The Funding and Disclosure Online portal responds, for example, to recommendations of the Joint Standing Commission on Electoral Matters (JSCEM) made in the

2020 Final Report – *Administration of the 2019 NSW State Election* and in its 2016 Final Report of the Expert Panel – *Political Donations*.

The Electoral Commission's expectation is that Funding and Disclosure Online more effectively meets the transparency objectives of NSW electoral funding laws, including by improving compliance with registration, disclosure, and other legal obligations. To help it to achieve this goal, the Electoral Commission conducted stakeholder consultation in 2020 to guide the development of a system that is both intuitive and capable of capturing information and then disclosing it more accurately than paper form equivalents. We also conducted extensive communication and training for internal and external users of Funding and Disclosure Online and continue to provide political participants with one-to-one assistance as they switch to using the portal. Funding and Disclosure Online moves to the next phase of development in 2021–22 with the portal's functions to be expanded across the next year.

Education and awareness-raising remained a key priority, with the Electoral Commission expanding its education and awareness activities this year, with particular attention on Funding and Disclosure Online and the new local government expenditure caps, as well as registration, nomination, campaign accounts, the cash donation ban and electoral material. We have used webinars, bulletins, social media, the website, surveys and videos, including animated videos for local government elections, to guide political participants and other stakeholders in New South Wales. We have also developed an online training program for Members of Parliament in collaboration with staff of the NSW Parliament which outlines the electoral funding obligations of Members, as well as the political parties to which many of them belong.

During the year a new model for determining the electoral expenditure caps for each local government area and ward was also implemented for the 2021 Local Government elections. There are now eight levels of caps depending on the number of enrolled electors in an area or ward. Communicating the new rules to candidates in the lead-up to the 2021 Local Government elections has been an important focus for the Electoral Commission.

Enforcement of electoral and lobbying laws is also the primary responsibility of the Electoral Commission in NSW. In addition to its regular compliance activities, in 2021 the Electoral Commission conducted a compliance operation for the Upper Hunter State by-election in May that included having a team active during the beginning of the early voting period, another team active at the close of the early voting period and both teams active on election day. A total of

26 voting centres were attended by a compliance team, including 20 on election day. The compliance operation responded to both specific issues identified by our own investigators as well as complaints by parties and other stakeholders. The Electoral Commission is not funded, however, to stand-up these types of field operations for general elections at scale across NSW. A by-election provides an opportunity, therefore, for our Investigations team to identify opportunities to focus our available compliance resources most effectively. At this by-election, the importance of campaign activities on social media and in the online environment more generally was again highlighted. The challenges for all electoral commissions of regulating online electoral material are the subject of ongoing consideration by the Electoral Council of Australian and New Zealand (ECANZ), of which the NSW Electoral Commissioner is the current chair. I am pleased that ECANZ will continue in its efforts next year to develop a protocol with social media platforms in Australia for the adoption of standard procedures for collaborating with electoral commissions in relation to breaches of electoral laws.

During the year the Electoral Commissioner has also continued to raise concerns regarding the sustainability and suitability of the current funding model for the Electoral Commission, which includes the Public Service staff agency and information technology systems that support its work. The Electoral Commissioner is an ex officio member of the Electoral Commission and separately responsible for conducting elections within NSW and managing the staff agency that supports both functions. The Electoral Commissioner has forcefully argued that the existing funding model creates significant risks to the effective performance of both his and our legislative functions. He has also sought additional funding under the current model for critical cyber-security and election system enhancements and rectifications prior to the 2023 State general election. This funding is yet to be approved. The capacity to deliver and regulate elections according to the law, and in accordance with high public expectations of transparency and accountability, is undermined by inadequate investment in human and technology resources over time. This in turn creates the risk of undermining public trust in an institution that is essential to the stable operation of the democratic system. I am hopeful that the important work of the NSW Auditor-General and committees of the NSW Parliament during the past year, which has led to recommendations for more transparent and sustainable ways to fund the people and critical information technology systems of a number of independent statutory offices, will be a catalyst for positive change in the year to come.

November 2021 sees the end of my term as Chairperson of the Electoral Commission. It has been a rewarding appointment, but I believe there is more to be done to improve the regulation of political participants in NSW. During recent times, for example, I have advocated for the Electoral Commission to be conferred with additional legislative authority to disclose more detailed information about its compliance and enforcement activities, as a means of bringing to light the complexities of the legislation and to act as an important deterrence to those who may act unlawfully. Under the current legislative framework, the Electoral Commission is constrained from disclosing details about its compliance and enforcement activities where that information could identify individuals.

I appreciate that the administration of any framework for regulating participants in electoral processes must not of itself introduce unfairness or bias into that process. There is a real risk, for example, that the publication of investigation details around the time of an election could be misused, manipulated or misinterpreted. The confirmation by the Electoral Commission of an investigation being undertaken may alone, in some circumstances, damage the electoral prospects of a candidate, even if the allegations under investigation turn out to be unfounded. It must be acknowledged that in politics, allegations of electoral breaches are sometimes made by political opponents. Even so, it is now anachronistic that the Electoral Commission in NSW remains unable to disclose at least the outcome of matters to complainants and is unable to communicate about its important work to the same degree as electoral regulators in some other Australian jurisdictions and around the world, such as in the United Kingdom. As I depart from this role, I hope that the Electoral Commission can play a more effective role in enhancing transparency and integrity in NSW democracy in the future, through a clear mandate to make more detailed information available about its compliance and enforcement work.

I am proud to have been the Chairperson of the Electoral Commission since the Commission was constituted in 2014 and I wish the Electoral Commission well in this vital work in the years ahead.



The Hon Keith Mason, AC QC
Chairperson

Constitution and members of the Electoral Commission

The Electoral Commission was constituted on 1 December 2014 under the Electoral Act as a statutory body representing the Crown.

The Electoral Commission consists of three members:

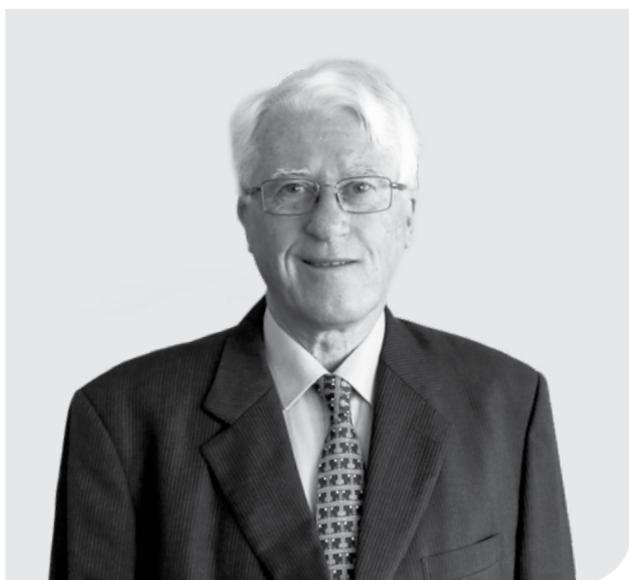
- a former Judge appointed by the NSW Governor as Chairperson
- the Electoral Commissioner for NSW
- a person appointed by the NSW Governor who has financial or audit skills and qualifications relevant to the functions of the Electoral Commission.

The members of the Electoral Commission are:

- Hon. Keith Mason AC QC, as Chairperson
- John Schmidt, Electoral Commissioner for NSW
- Len Scanlan, as member.

The Hon. Joseph Campbell QC is appointed as deputy Chairperson of the Electoral Commission.

The appointed members and deputy member of the Electoral Commission are appointed for a seven-year term which is due to expire 30 November 2021.



Hon. Keith Mason AC QC **Chairperson**

Keith Mason was admitted to the NSW Bar in 1972 and appointed a Queen’s Counsel in 1981. From 1985 to 1987 he was Chairman of the NSW Law Reform Commission, and again from 1989 to 1990. He was Solicitor-General of NSW from 1987–1997, until his appointment as President of the NSW Court of Appeal in 1997. He was appointed a Companion of the Order of Australia in 2003 for service to the law and legal scholarship, to the judicial system in New South Wales, to the Anglican Church, and to the community. Keith retired from the NSW Court of Appeal in 2008 and is currently an Adjunct Professor at the University of New South Wales.



John Schmidt **Electoral Commissioner for NSW**

John Schmidt was appointed Electoral Commissioner for NSW by the Governor of NSW and began his term on 8 August 2016. From 2009 to 2014 he was the Chief Executive Officer of the Australian Transactions Reports & Analysis Centre (AUSTRAC), after serving in senior NSW Government positions within the Department of Premier & Cabinet and the Department of Fair Trading. John holds a Bachelor’s degree in Laws, and a Master’s degree in Arts.

Photograph: Jason McCormack/The LSJ.



Len Scanlan
Member

Len Scanlan was Auditor-General of Queensland from 1997 until 2004, during which time he was also the Chief Executive Officer of the Queensland Audit Office. Len has since pursued a successful career as an independent consultant which has included service on audit committees, as a Non-Executive Director and general consulting work. Len is a Fellow of the Institute of Public Administration Australia.



Hon. Joseph Campbell QC
Deputy Chairperson

The Hon. Joseph Campbell was admitted to the NSW Bar in 1975 and appointed a Queen's Counsel in 1988. He was a judge of the Supreme Court of NSW from 2001 until his retirement in 2012 which included six years as a judge of the Court of Appeal. In 2013 he was elected as a Fellow of the Australian Academy of Law and became an Adjunct Professor at the University of Sydney Law School. Joe has also acted as an Independent Legal Arbiter on questions of privilege for the Legislative Council of NSW.

Meetings of the NSW Electoral Commission

The Electoral Commission meets on the second Wednesday of every second month and at any other time as agreed by the members. The quorum for a meeting of the Electoral Commission is two members (one of whom is the Chairperson or the deputy of the Chairperson).

The Chairperson (or, in the absence of the Chairperson, the deputy of the Chairperson) presides at each meeting of the Electoral Commission. The presiding member of each meeting has a vote and, in the event of an equality of votes, has a second or casting vote.

A decision of the Electoral Commission is one that is supported by a majority of the votes cast at a meeting of the Electoral Commission at which a quorum is present.

During 2020–21, the Electoral Commission met at the following scheduled times.

Between scheduled meetings, matters that required more urgent attention by the Electoral Commission were dealt with out-of-session by circulating the relevant papers electronically. Votes on decisions are cast by email, are recorded, and are then noted at the following scheduled meeting. Out-of-session decisions are generally in relation to public funding payments more than a delegated amount that have a statutory deadline.

From time to time the Electoral Commission will schedule an ad hoc meeting to address an urgent matter.

Table 1. Scheduled meetings of the Electoral Commission during 2020–21

Date	Attendees
Wednesday, 12 August 2020	Keith Mason, Joe Campbell, Len Scanlan, John Schmidt
Wednesday, 14 October 2020	Keith Mason, Joe Campbell, Len Scanlan, John Schmidt
Wednesday, 9 December 2020	Keith Mason, Joe Campbell, Len Scanlan, John Schmidt
Wednesday, 10 February 2021	Keith Mason, Joe Campbell, Len Scanlan, John Schmidt
Wednesday, 14 April 2021	Keith Mason, Joe Campbell, Len Scanlan, John Schmidt
Wednesday, 9 June 2021	Keith Mason, Joe Campbell, Len Scanlan, John Schmidt

Table 2. Ad hoc meetings of the Electoral Commission during 2020–21

Date	Attendees
Wednesday, 9 September 2020	Keith Mason, Joe Campbell, Len Scanlan, John Schmidt

Highlights from 2020–21



Funding and Disclosure Online launched



Compliance operation at the Upper Hunter by-election



5,000
disclosures published

785

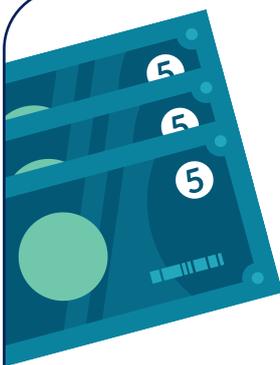


candidates, groups, and third-party campaigners registered for elections

8,500



compliance audits completed



\$14.5
million paid in public funding



12%
increase in third-party lobbyists registered

Functions of the Electoral Commission

The functions of the Electoral Commission are set out in the Electoral Act. The Electoral Commission has a duty to exercise its functions in a way that is not unfairly biased against or in favour of any party, group, candidate or other person, body, or organisation.

Staff employed in the Electoral Commission Public Service agency support the Electoral Commission in the exercise of its functions, in particular those that are exercised as part of the day-to-day operations of the agency.

The Electoral Commission has the functions conferred or imposed on it under several acts, including the:

- *Electoral Act 2017*
- *Electoral Funding Act 2018*
- *Lobbying of Government Officials Act 2011*
- electoral provisions of the *Local Government Act 1993*.

In addition, functions of the Electoral Commission include:

- instituting proceedings for offences under NSW electoral and lobbying laws
- assisting the Electoral Commissioner with the conduct of elections
- conducting, promoting, and publishing research into electoral and other matters that relate to its functions
- promoting public awareness of electoral matters that are in the public interest by means of education and information programs.

Delegations

The Electoral Commission is authorised under the Electoral Act to delegate any of its functions to:

- the Electoral Commissioner
- a member of staff of the Electoral Commission Public Service agency
- an officer or member of staff of an electoral commission or electoral office of the Commonwealth or of a State or Territory
- any person, or any class of persons, authorised by the Electoral Regulation.

The Electoral Commission has delegated several of its functions to the Electoral Commissioner and members of staff of the Electoral Commission Public Service agency. Delegations exercised by the Executive Director, Funding, Disclosure, Compliance and General Counsel under the LOGO Act and EF Act are reported to the Electoral Commission at every scheduled meeting. Delegations made by the Electoral Commission are in accordance with the Delegations Policy on the Electoral Commission's [website](#).

Guidelines

The Electoral Commission is authorised under the Electoral Funding Act to determine and issue guidelines, consistent with the Act and regulations, for or in relation to any matters dealt with under the Act. The Electoral Commission is required to have regard to its guidelines in the operation, application and enforcement of the Act including dealing with any applications, claims or disclosures.

During 2020–21, the Electoral Commission updated two existing guidelines:

- **Guideline 13** was updated to reflect the current indirect campaign contribution threshold amounts. This is used to quantify the value of indirect campaign contributions by way of electoral expenditure for advertising that is shared between more than one party, elected member, candidate, or group of candidates.
- **Guideline 15** was updated following a periodic review of the generally prevailing interest rate for loans. This is used to quantify the value of political donations in the form of uncharged interest on loans.

The guidelines are published on the [website](#).

Extensions of time

The Electoral Commission is authorised under the Electoral Funding Act to, in any particular case, extend the time for doing anything under the Act, if satisfied that proper reasons exist justifying the extension. The provision does not apply to extending the due date for the making of a disclosure as there is a separate provision under the Act for this (see [How are disclosures made?](#)).

During 2020–21, the Electoral Commission extended the time in relation to matters listed in Table 3.

Table 3. Exercise of the general extension power under section 153 of the Electoral Funding Act

Provision	Description	Extensions granted
s.73(1)	The time by which a claim for payment from the Election Campaigns Fund must be made	1
s.94(2)(c)	The time by which a claim for quarterly payment from the Administration Fund must be made	4
s.94(2)(d)	The time by which a claim for annual payment from the New Parties Fund must be made	1
s.97(1)	The time by which a registered party must provide a copy of its audited annual financial statements	2

Policies

The Electoral Commission has policies and procedures that set out frameworks for how the various administrative and enforcement functions are carried out in accordance with the relevant legislation. The policies are reviewed and updated every three years and as required.

During 2020–21 the Electoral Commission did not publish any new policies and did not update any existing policies. The Electoral Commission’s policies are set out below and can also be found on the [website](#):

- Administration fund procedures
- Compliance audit policy
- Compliance and enforcement policy
- Compliance and enforcement procedures
- Compliance and enforcement publication policy and procedures
- Disclosure policy and procedures
- Election campaigns fund procedures
- Delegations policy and procedures
- New parties fund procedures
- Non-prohibited donor determinations policy and procedures
- Penalty notice and caution procedures
- Prosecution policy
- Public funding policy
- Public interest disclosures policy
- Registration of electoral participants policy.

Inquiries, reports and reviews

During 2020–21, the Electoral Commissioner participated, via formal submissions and appearances in person, in three major external reviews, namely:

- the Joint Standing Committee on Electoral Matters (JSCEM) inquiry into the *Administration of the 2019 NSW State Election*
- the Public Accountability Committee's inquiry into the *Budget process for independent oversight bodies and the Parliament of New South Wales*
- the Auditor General's examination *The effectiveness of the financial arrangements and management practices in four integrity agencies*, including the Electoral Commission.

The Electoral Commissioner also appeared before the NSW Parliament's Portfolio Committee No. 1 – Premier and Finance (Budget Estimates).

As noted in the Electoral Commissioner's evidence, the Electoral Commission continues to face a resourcing crisis with a funding model that has failed to keep pace with maintaining both our current operations and our expanding remit.

On behalf of the Electoral Commission, the Electoral Commissioner has advocated for the establishment of a more sustainable and independent funding model for the agency. In this context a number of issues have been highlighted, including:

- The importance of the Electoral Commission being funded in a way that supports its independence.
- The unsustainable basis of the current funding model. The Electoral Commission is still largely funded to deliver major election events, which does not reflect the scope of its ongoing regulatory responsibilities and operations, nor its responsibility for implementing sound public sector governance practices and safeguarding the electoral process from information security, including cyber, threats.
- The inadequacy of the annual State budget process for the Electoral Commission. The Electoral Commissioner has highlighted the limited capacity of the Electoral Commission to have input into, and visibility of, funding decisions made during the annual State budget process; and the impact of whole-of-government savings measures and efficiency dividends on small agencies.

- The fragility of both our workforce and information technology systems. An externally commissioned review commented that this fragility as it applies to staffing...

"...[it] drives inefficiencies: in salaries and wages spend, in work and initiative discontinuities, in hiring and engagement processes and in the lack of investment in training and upskilling. This fragility presents a risk management issue for the NSW Electoral Commission and calls into question the sustainability of the organisation over the longer term."

With regard to the JSCEM inquiry, the *Administration of the 2019 NSW State Election*, the Electoral Commission's ability to implement the recommendations for the 2023 State election contained in the JSCEM's final report is contingent on adequate resources being available. The Electoral Commissioner has also noted that the ability to implement recommendations will now be constrained by the shortened period between the 2021 Local Government elections and the 2023 State election. (The Local Government elections were postponed from 12 September 2020 to 4 September 2021 and again to 4 December 2021 in response to the COVID-19 pandemic). This shortened runway for planning and development significantly limits changes that can be safely made to the Electoral Commission's highly bespoke and aging information technology systems, even if additional funding were to be made available.

The Electoral Commission is continuing to seek approval from government for urgent and major investments in information technology and human resources to address the immediate risks that have been identified. For the longer term, however, the Electoral Commission remains supportive of a new model that will deliver transparent and sustainable investment in the administration of the NSW electoral system. The recent inquiries and reviews have provided many worthwhile suggestions for consideration. The Public Accountability Committee's final report into the *Budget process for independent oversight bodies and the Parliament of NSW*, tabled in NSW Parliament on 5 February 2021, for example, made the following recommendation with regard to our ongoing funding:

“That the NSW Independent Commission Against Corruption, the Law Enforcement Conduct Commission, the NSW Ombudsman and the NSW Electoral Commission be directly allocated their annual funding through the Appropriation legislation, rather than the funding being allocated to the relevant Minister, so they are not subject to reductions in funding during the financial year.”

The report also reiterated the risk to the delivery and regulation of democratic processes through continued budget shortfalls as detailed in the NSW Auditor-General's special report into *The effectiveness of the financial arrangements and management practices of four integrity agencies*:

“The Electoral Commission has not received the full funding amount it has requested in recent years. The conduct of elections is a key element of the democratic system and underfunding this function could have serious consequences.”

The Auditor-General's report also found that:

“...the current approach to determining and administering annual funding for the integrity agencies [including the NSW Electoral Commission] presents threats to their independent status... Specific mechanisms that present threats to the independence of the integrity agencies include the absence of transparency in decisions about funding for the integrity agencies, the means of applying efficiency dividends and budget savings and reform measures, the process of providing additional funding from the Department of Premier and Cabinet (DPC) to the integrity agencies, and requests for the integrity agencies to report to DPC on their activities and outcomes.”

We look forward to working with the NSW Parliament and the NSW Government to develop a more sustainable and appropriate funding regime going forward; and new budget processes that are designed to strengthen the integrity of the public administration.

All Committee and Government response reports are available on the [NSW Parliament's website](#).

Education and research activities

The Electoral Act provides that the Electoral Commission may promote public awareness of electoral matters through education and information campaigns. The Electoral Funding Act provides similarly that the Electoral Commission may undertake education and information programs to inform parties, elected members, candidates, groups, third-party campaigners, party agents, official agents, donors, and associated entities of their obligations under the Act. The Electoral Commission undertook a range of educational and public awareness activities during 2020–21 in accordance with these provisions.

Raising awareness of political donation laws

During the year we developed and implemented a communications campaign to increase awareness of political donation laws in New South Wales. The campaign aims to educate voters, political parties and existing donors of changes that came into effect on 1 January 2020. These changes mean that cash donations above \$100 cannot be made or accepted in New South Wales.

The Electoral Commission undertook stakeholder and market research to benchmark the understanding of the rules governing donations and the main barriers to improving that understanding.

Six video animations were created to explain the different types of political donations, the laws that govern these donations and what these laws mean.

The animations were then used as the creative basis for the roll-out of a media campaign that incorporated digital, social media, print and radio to effectively reach audiences across the State. The campaign has so far run two tranches, strategically placed to coincide with half-yearly and yearly disclosure periods.

The communications campaign also engaged members of culturally and linguistically diverse communities, which built upon learnings from the market research. As part of this, the animations have been translated in seven key languages: Arabic, Cantonese, Mandarin, Greek, Italian, Vietnamese and Korean. The advertising campaign also targeted these communities with in-language content.

Based on post-campaign metrics provided by our media buying agency, the campaign had more than seven million views to June 2021 across New South Wales, with additional advertising planned for 2021–22.

Although the videos have been promoted ahead of the 2021 Local Government elections, their content is applicable to local government and state elections, making them a useful resource for all political participants.

2021 NSW Local Government elections Election Bulletins

The publication of Bulletins by the Electoral Commissioner for the 2021 Local Government elections continued during the year to educate electoral participants and raise awareness of electoral funding requirements and election processes. The Bulletins also provided regular updates on news, information and deadlines. Seven Bulletins were issued to political participants and four were issued to the general managers of local councils.

The Bulletins included a range of information about the conduct of the elections, key dates, and electoral processes. They also informed and reminded recipients of their electoral funding obligations, for example, the requirement to register for electoral funding purposes, to submit political donation and electoral expenditure disclosures and the commencement of the capped expenditure period. The Bulletins also contained regular updates on the postponement of the elections due to the COVID-19 pandemic and how the agency was managing the changing circumstances to ensure the safe and successful delivery of the elections.



All voters and businesses within New South Wales are potential donors. The research showed that many have limited understanding of what constitutes a donation and their responsibility to disclose.

Candidate information webinars

A series of webinars was conducted during the year by staff of the Electoral Commission Public Service agency. The webinars covered a range of topics including general information on the conduct of the elections, electoral funding and disclosure requirements and more specifically the electoral funding laws that apply at the 2021 Local Government elections.

Webinars included an interactive function enabling participants to submit questions which the presenter could answer throughout the webinar. The webinars were open to all electoral participants and members of the public, and were promoted through the Election Bulletin, on our website and through our social media platforms, as well as through direct email communication to registered electoral participants. The webinars were recorded and made available soon after each webinar on our YouTube channel for those who were not able to attend.

Several questions were asked by webinar participants about the registration requirements for candidates and groups, the laws that apply to political donations and electoral expenditure and the operation of campaign accounts. In particular, the questions highlighted the complexity of the campaign account requirements for local government elections.

Local government ordinary elections are complex in that some local government areas have wards and others do not; some local government areas have a mayoral election and others don't. There are many instances where a candidate may be in a group and also be a candidate for the mayoral election. The campaign account requirements are such that a candidate must open a campaign account before \$1,000 or more in political donations are accepted or \$1,000 or more in electoral expenditure is incurred. This applies to all candidates even those who are in a group and where the group has a campaign account and applies equally to candidates for a mayoral election even if they are part of the group for the councillor election and the group has a campaign account.

In some cases, groups of candidates across wards in a local government area may share electoral expenditure and may hold joint fundraisers. Some candidates indicated through the webinar, and following the webinar through enquiries, that it is a challenge for them to understand and comply with the campaign account requirements and to structure their campaigns to comply with the laws.

Electoral expenditure caps

In September 2020, electoral expenditure cap amounts for each local government area and ward were re-determined as a result of the elections being postponed in June 2020. Each registered candidate, group of candidates and third-party campaigner was notified in writing of the expenditure cap amount that would apply to them during the capped expenditure period for the election. New candidates, groups, and third-party campaigners were informed of their expenditure cap at the time of registration. All registered electoral participants were notified in June 2021 of the start of the capped expenditure period on 1 July 2021.

Several enquiries were received from electoral participants about the operation of the caps on electoral expenditure. Electoral participants were interested to know if they could reuse electoral material that was produced for a previous election, and if so, would the expenditure to produce that material be subject to their expenditure cap for the 2021 Local Government elections.

The Electoral Commission considered this question as the Electoral Funding Act does not expressly provide for the reuse of electoral material and whether it would be subject to an expenditure cap for a current election.

The Electoral Commission resolved that electoral material produced for a previous election may be reused for the 2021 Local Government elections, however, expenditure incurred to produce the portion of the electoral material that is reused is subject to an applicable expenditure cap if distributed during the capped expenditure period for the elections. The decision was on the basis that section 34 of the Electoral Funding Act provides for when electoral expenditure is taken to be incurred for the purpose of the expenditure caps. Electoral expenditure is taken to be incurred on the production and distribution of electoral material when the material is distributed.

In addition, such expenditure would not need to be re-disclosed, however, those responsible for disclosing electoral expenditure would be required to indicate when making the disclosure whether electoral material was reused during a capped expenditure period that occurred during the annual period to which the disclosure relates. The disclosure of the reuse of electoral material supports the Electoral Commission's compliance audit functions.

Registered electoral participants were notified of the Electoral Commission's view on the reuse of electoral material. The Electoral Commission's [website](#) was updated accordingly.

Education and research activities

continued

Website updates

The Electoral Commission's [website](#) was progressively updated to include information about the elections, key dates, as well as detailed content on specific topics for voters, electoral participants, as well as those interested in working at the elections. Educational material published on the website included a candidate handbook, two new fact sheets, and frequently asked questions for candidates and groups.

Social media

The elections were promoted on our social media platforms with messages about registering as a candidate or group for electoral funding purposes, the expenditure caps, and the start of the capped expenditure period.

Upper Hunter State by-election

For the Upper Hunter State by-election we published series of Election Bulletins to educate electoral participants about the applicable electoral funding laws. The Electoral Commission's [website](#) was progressively updated to provide key information including key dates and information for electoral participants. Social media was also used to promote the registration and other electoral funding requirements for parties, candidates, and third-party campaigners. Information about the disclosure requirements for political donors was also included in the elector brochure that was sent to all Upper Hunter enrolled electors.

Professional development training for members of Parliament

A collaborative project with staff of the NSW Parliament saw the development of four online educational modules for members of Parliament. The modules cover the following four electoral funding topics and a targeted specifically to the laws as they apply to elected members of the NSW Parliament:

- The role and responsibilities of the person responsible for making disclosures
- The laws that apply to political donations
- The laws that apply to electoral expenditure
- The disclosure requirements for political donations and electoral expenditure.

The content was developed as part of a professional development program of the NSW Parliament. The Electoral Commission was pleased to contribute to the program through the development of the electoral funding modules. Members can access the modules through an App on their smartphone or similar device.

Political donation and electoral expenditure disclosures

We promoted awareness and compliance with the disclosure obligation requirements in a range of ways prior to, during, and following each of the disclosure lodgement periods.

Email and SMS reminders

Emails were sent to elected members, candidates, lead candidates of groups, party agents, third-party campaigners, associated entities, and major political donors to remind them of their disclosure obligations. These emails informed political participants about when and how to submit their disclosures and where to find more information and assistance. The emails were sent prior to and at the beginning of each disclosure lodgement period. Follow-up emails and SMS messages were sent to stakeholders who were late submitting their disclosures.

Website updates

The website was updated in the lead-up to each disclosure lodgement period to promote the disclosure requirements. These updates included notifications on the website as well as publication of the forms and fact sheets to assist stakeholders to understand their disclosure obligations, and how and when to comply. The following fact sheets were published on the Electoral Commission's [website](#):

- Disclosing political donations (Half-yearly period 1 January to 30 June 2020)
- Disclosing electoral expenditure 2019–20
- Disclosing political donations (Half-yearly period 1 July to 31 December 2020)
- Disclosures by major political donors 2019–20
- Timeline: Disclosure reporting periods and due dates 2019–20 and 2020–21.

Social media

The disclosure lodgement periods were promoted more broadly on our social media platforms prior to and during each disclosure lodgement period.

Legislative change

In June 2021, the *Electoral Legislation Amendment (Local Government Elections) Act 2021* amended the *Electoral Funding Act 2018* to allow the party agent of a registered party to decide to be the person responsible for disclosing the political donations and electoral expenditure of a local government mayor or councillor, candidate or group of candidates who are members of that party. The *Electoral Funding Act 2018* previously required those elected members, candidates and groups to be responsible for their own disclosures unless the party agent agreed to be responsible.

In such cases, the party agent is required to notify the Electoral Commission of such a decision and notify the effected mayor, councillor, candidate, or group of candidates. A party agent may withdraw such a decision at any time and give notice of the withdrawal to the Electoral Commission and the effected mayor, councillor, candidate or group of candidates.

The amendment came into effect 1 July 2021. Implementation of the amendment will be reported on in the Electoral Commission's report for 2021–22.

Funding and Disclosure Online

Funding and Disclosure Online was launched on 21 June 2021 enabling political participants to meet their electoral funding and obligations on a secure online portal rather than by using paper forms and following manual processes. The Electoral Commission developed Funding and Disclosure Online in response to the Joint Standing Commission on Electoral Matters (JSCEM) October 2020 Recommendation 53 of the Final Report – *Administration of the 2019 NSW State Election* that, as a matter of priority, the NSW Electoral Commission implement an online system that allows the electronic lodgement and management of: disclosures of electoral expenditure and political donations as required under the *Electoral Funding Act 2018*, and funding claims made pursuant to the *Electoral Funding Act 2018*. This expanded on Recommendation 23 of the June 2016 JSCEM *Final Report of the Expert Panel – Political Donations*, that the NSW Electoral Commission replace paper-based disclosures with an online disclosure system as soon as possible.

Disclosures could be lodged online for the first time in July 2021. Candidates and groups can register for the 2021 Local Government elections online to commence campaigning. Additional functionality to support other electoral funding entitlements and obligations will be released as the project moves through its next phase during 2021–22.

Funding and Disclosure Online makes it easier for registered parties and their senior officers, candidates, elected members, donors, and other political participants to disclose information to the Electoral Commission and manage their regulatory obligations. We piloted the portal with a small volunteer group of political participants before promoting the portal more broadly to all political participants.

Users are offered support to set up their secure access, use the portal's functionality and complete transactions and forms online.

Funding and Disclosure Online addresses many of the constraints of the current paper-based forms by:

- enabling electronic signatures, thus removing the need for printing and scanning documents
- facilitating data entry and upload of supporting documentation throughout the disclosure period
- providing support to complete the online forms
- managing registered particulars and contact details
- tracking the status and progress of online forms.

Key goals of the Funding and Disclosure Online project are to:

- simplify and reduce the effort required for political participants to comply with their disclosure obligations:
 - the portal provides clear information to each political participant, guiding them through the 'what, how, when, who' of the legislation
- reduce the likelihood of non-compliance and ensure timely compliance with obligations:
 - the portal provides online forms and notifications, and users can track the status of forms lodged
- reduce the support required to understand and meet obligations:
 - the portal was developed using human-centred design, with input from staff and political participants, to be intuitive, responsive and reduce the complexity of processes
- improve the quality and timeliness of the information the Electoral Commission receives, processes and publishes:
 - the online lodgement capabilities reduce manual data entry and processing by the Electoral Commission, supporting effective and efficient regulation
- provide for a responsive and adaptive regulatory technology that supports the current framework and changes to electoral funding legislation in the future.

A dedicated project team including subject matter experts, worked with a commercial supplier – RXP Services, now part of Capgemini – to design and build the digital capabilities and enhance existing systems. Political participants and frontline regulatory staff were consulted as part of a human-centred design process and engaged throughout the development phase. The change and training program produced instructional videos, user guides and training demonstrations to support the transition to the new system and its successful adoption.

Initial feedback from users of the system has provided valuable insights into the support needs of stakeholders and a range of enhancements to be considered.

The introduction of the online solution addresses the recommendations from a number of reviews including those conducted by The Panel of Experts on Political Donations (Expert Panel) and the NSW Parliament Joint Standing Committee on Electoral Matters (JSCEM). The Parliamentary committee hearings into the conduct of the 2019 State general election reaffirmed the need for an online registration and disclosure system to reduce the compliance burden on electoral participants and political parties, while maintaining transparency and accountability in the regulation of electoral funding in NSW.

Registration of electoral participants

Candidates, groups, and third-party campaigners are registered for a state or local government election under the Electoral Funding Act. Registration enables a candidate, group or third-party campaigner to accept political donations and pay for electoral expenditure for the election in which they are registered. Associated entities, party agents and official agents are also registered under the Electoral Funding Act.

Candidates, groups of candidates, third-party campaigners and associated entities are registered following the Electoral Commission receiving an application for registration. Party agents and official agents are registered following the Electoral Commission being notified of an agent's appointment.

The Electoral Commission maintains registers for each type of electoral participant and information contained in the registers is published on the Electoral Commission's [website](#).

Candidate, group, third-party campaigner, associated entity, party agent and official agent registrations

Candidates — a person must be registered as a candidate before accepting a gift or making a payment for electoral expenditure for their proposed candidacy at a future election. A person nominated as a candidate for the purpose of having their name included on the ballot paper is deemed to be registered as a candidate from the time of nomination.

Group of candidates — two or more individuals must be registered as a group of candidates before accepting a gift or making a payment for electoral expenditure for the proposed candidacy of the individuals at a future election. Nominated candidates who comprise a group for the purpose of a ballot paper are deemed to be registered as a group of candidates from the time of nomination.

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

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

Party agents and official agents — each party must appoint a party agent and each third-party campaigner and associated entity must appoint an official agent. Agents are responsible for disclosing political donations and electoral expenditure on behalf of parties, third-party campaigners, and associated entities, and in certain cases, candidates, groups, and elected members.

During 2020–21, the Electoral Commission registered candidates, groups of candidates and third-party campaigners for the 2021 Upper Hunter State by-election, the 2021 Local Government elections, the deferred Central Coast Council and Wingecarribee Shire Council elections expected to be held in 2022 and the 2023 NSW State election.

Of the 15 candidates registered for the 2021 Upper Hunter State by-election, six were deemed to be registered upon nomination.

The registrations of two candidates and one third-party campaigner were cancelled for the 2021 NSW Local Government elections at the request of the candidates and third-party campaigner as shown in Table 4.

The Electoral Commission registered seven party agents and cancelled the registration of three party agents following notification of the resignation of those agents.

As of 30 June 2021, all but one party had a registered party agent.

Thirteen official agents of third-party campaigners were registered no official agents of associated entities were registered during the year. If, at any time, a third-party campaigner or associated entity does not have an appointed official agent the Electoral Commission may designate a person as official agent. The Electoral Commission did not designate any person to be an official agent. The registrations of no official agents were cancelled.

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

Registration of electoral participants

continued

Table 4. Candidate, group and third-party campaigner registered during 2020–21

Election event	Candidates	Groups of candidates	Third-party campaigners	Registrations cancelled
2021 Upper Hunter State by-election	15	N/A	12	0
2021 NSW Local Government elections	625	109	1	12
2022 Central Coast Council election	1	0	0	0
2022 Wingecarribee Shire Council election	32	1	0	0
2023 NSW State election	2	0	0	0
Total	675	110	13	12

To be eligible to be appointed as a party agent or official agent a person must satisfy several criteria including successfully completing an online agent training program provided by the Electoral Commission. Individuals who have certain accounting qualifications are not required to complete the agent training program. Fifteen people successfully completed the online agent training program during 2020–21.

Notification of party agent consents

At local government elections each candidate is responsible for the management and disclosure of their political donations and electoral expenditure. The lead candidate of each group is responsible for the management and disclosure of the group's political donations and electoral expenditure. Each local government elected member is responsible for the management and disclosure of their political donations and electoral expenditure.

If a candidate or elected member is a member of a registered party, or group members are members of a registered party, the candidate, group or elected member can enter into an agreement with the party agent of the party for the party agent to be responsible for the management and disclosure of the candidate, group

or elected member's political donations and electoral expenditure. Such an agreement is only in effect if the Electoral Commission has been notified that the party agent has consented to such an agreement.

The Electoral Commission was not notified that any party agent had consented to agree to be responsible for the management and disclosure of political donations and electoral expenditure on behalf of a local government elected member, candidate or group of candidates.

Note: on 1 July 2021, the Electoral Funding Act was amended to provide for a party agent to notify the Electoral Commission of a decision to be responsible for the disclosures of local government elected members, candidates and groups who are members of the party. Refer to the Legislative change section of this report for more details.

Registration of third-party lobbyists

Third-party lobbyists and individuals engaged to undertake lobbying on behalf of a third-party lobbyist must be registered in the Lobbyist Register, which is kept and maintained by the Electoral Commission under the Lobbying of Government Officials Act. The Lobbyist Register is published on the Electoral Commission's [website](#).

Thirty-one new third-party lobbyists were registered during 2020–21. As of 30 June 2021, 157 third-party lobbyists were registered.

Each registered third-party lobbyist is required to appoint a person as the officer responsible for the lobbyist's compliance with NSW lobbying laws. Such officers are responsible for completing the Electoral Commission's online training on an annual basis.

Registered third-party lobbyists are responsible for updating the Lobbyist Register within 10 days of any change to the information on the register including the details of their clients and details of foreign principals whose interests the lobbyist is representing.

Registered third-party lobbyists are also required to provide to the Electoral Commission, on 31 January, 31 May and 30 September each year, confirmation that their registered details are up to date.

Failure to comply with the requirements of the Lobbying of Government Officials Act or the Lobbyists Code of Conduct can result in the suspension or cancellation of a lobbyist's registration. Decisions made by the Electoral Commission to suspend or cancel a third-party lobbyist's registration or to issue a warning are detailed in the Compliance and enforcement section of this report.

The Electoral Commission cancelled the registration of 12 third-party lobbyists at their request as they were no longer carrying on the business of lobbying. The registration of six lobbyists was suspended and six cancelled for failure to confirm their details when required.

Details of the decisions made by the Electoral Commission in relation to the registration of third-party lobbyists and the reasons for those decisions are published on the Electoral Commission's [website](#).

Adjustment for inflation of monetary amounts

The Electoral Funding Act requires the caps on political donations, indirect campaign contributions, electoral expenditure, and public funding amounts to be adjusted for inflation periodically. The Electoral Commission is required to publish notice of adjusted amounts on its website and on the NSW legislation website.

Political donations and indirect campaign contributions

Political donations and indirect campaign contributions are subject to caps. The caps on political donations apply to:

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

The caps on indirect campaign contributions apply to:

- political parties (registered and unregistered)
- groups of candidates
- candidates
- elected members.

The caps on political donations and indirect campaign contributions were adjusted for inflation for the 2021–22 financial year and are published on the Electoral Commission's [website](#).

Table 5. Caps on political donations and indirect campaign contributions 2021–22

Political participant type	Donation cap
Registered political parties	\$6,700
Unregistered political parties	\$3,100
Groups of candidates	\$6,700
Candidates	\$3,100
Elected members	\$3,100
Third-party campaigners	\$3,100
Associated entities	\$3,100

There are exemptions to the caps on political donations that apply to donations made in the financial year in which a NSW state general election is held. These amounts were also adjusted for inflation for the 2021–22 financial year.

Table 6. Exemptions to the donation caps 2021–22

Category	Exemption
Donations made to a party by a candidate in a Legislative Council election who is a member of the party	\$53,400
Donations made to a group of candidates by a candidate in Legislative Council election who is a member of the group but is not a member of a party	\$53,400

Electoral expenditure

Electoral expenditure is subject to caps at state and local government elections. At state elections the caps on electoral expenditure apply to:

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

Expenditure caps applicable at state elections are adjusted for inflation every four years after each NSW state general election so were not adjusted for inflation during 2020–21. The expenditure caps applied at the 2021 Upper Hunter State by-election are listed in Table 7.

Table 7. Caps on electoral expenditure incurred for the 2021 Upper Hunter State by-election

Political participant	Applicable expenditure cap
Candidate in a Legislative Assembly by-election	\$265,000
Third-party campaigner at a state by-election	\$21,600

The caps for state elections are published on the Electoral Commission's [website](#).

At local government elections the expenditure caps apply to:

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

Expenditure caps applicable at local government elections are adjusted for inflation after each local government ordinary election. The expenditure caps applicable to each local government area and ward are based on the number of enrolled electors in each local government area or ward as determined by the Electoral Commissioner as at 12 months before the next local government ordinary elections.

In June 2020, the local government general elections were postponed to 4 September 2021 due to the impacts of the COVID-19 pandemic. As a result, caps on electoral expenditure were not adjusted during 2020–21. The caps applicable at local government elections are published on the Electoral Commission's [website](#).

Due to the postponement of the local government elections the number of enrolled electors in each local government area and ward were redetermined by the Electoral Commissioner based on the number of enrolled electors as of 4 September 2020.

Public funding

The caps applicable to payments from the Administration Fund and New Parties Fund are adjusted each calendar year and are published on the Electoral Commission's [website](#).

The maximum amount an eligible party or elected member can receive from the Administration Fund in relation to a quarterly period is the lesser amount of the party or elected member's applicable cap or the amount of administrative and operating expenditure incurred in a quarterly period. The applicable caps for the Administration Fund for the 2021 calendar year are listed in Table 8.

Table 8. Caps applicable to payments from the Administration Fund for expenditure incurred in 2021

Category	Amount
If a Parliamentary party has one endorsed elected member	\$91,100
If a Parliamentary party has two endorsed elected members	\$156,000
If a Parliamentary party has three endorsed elected members	\$194,900
If a Parliamentary party has more than three endorsed elected members	\$194,900 + \$31,200 for each additional elected member up to 22 elected members
An independent elected member	\$58,800

The annual amount payable to an eligible party from the New Parties Fund is the amount of actual policy development expenditure incurred by or on behalf of the party during the calendar year to which the payment relates, but not exceeding the relevant maximum amount applicable to the party. The relevant maximum amounts for the New Parties Fund for the 2021 calendar year are shown in Table 9.

Table 9. Relevant maximum amounts payable from the New Parties Fund for expenditure incurred in 2021

Category	Amount
Per first preference vote received by each endorsed candidate of the party at the previous state general election	\$0.68
Maximum amount for a party that is registered less than eight years	\$12,900

Disclosures of political donations and electoral expenditure

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

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

The Electoral Commission is responsible for publishing the disclosures of political donations and electoral expenditure on its [website](#) and for enforcing the laws that apply to political donations and electoral expenditure.

Disclosures required to be made

Political donations made or received by, or on behalf of, political parties, elected members, candidates, groups of candidates and associated entities must be disclosed every six months.

Reportable political donations received by, or on behalf of, third-party campaigners for the purpose of incurring electoral expenditure in the capped expenditure period for an election must be disclosed every six months.

The half-yearly disclosure periods for the disclosure of political donations are 1 July to 31 December and 1 January to 30 June, with half-yearly disclosures due by 28 January and 28 July respectively.

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

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

Who is responsible for making disclosures?

The Electoral Funding Act sets out the rules that determine the person responsible for making disclosures that were due to be submitted to the Electoral Commission during 2020–21 as set out in Table 10.

Table 10. Person responsible to submit disclosures due during 2020–21

Category	Person responsible
Political party	Party agent
Member of Parliament	Party agent, if the member of Parliament is a member of a party that is registered for state elections, or Member of Parliament, in all other cases
State election candidate	Party agent, if the candidate is a member of a party that is registered for state elections, or Candidate, in all other cases
State election group of candidates	Party agent of the party of which the lead candidate is a member, where the lead candidate and at least one other group member is a member of a party that is registered for state elections, or Lead candidate, in all other cases
Local government councillor or mayor	Councillor or mayor, or Party agent of a registered party where the councillor or mayor is a member of the party and the party agent has consented to be the person responsible and has notified the Electoral Commission
Local government election candidate	Candidate, or Party agent of a registered party where the candidate is a member of the party and the party agent has consented to be the person responsible and has notified the Electoral Commission
Local government election group of candidates	Lead candidate, or Party agent of a registered party where the lead candidate is a member of the party and the party agent has consented to be the person responsible and has notified the Electoral Commission

Category	Person responsible
Third-party campaigner	Official agent appointed by the third-party campaigner or designated by the Electoral Commission
Associated entity	Official agent appointed by the associated entity or designated by the Electoral Commission
Major political donor	The donor

How are disclosures made?

Disclosures due during 2020–21 were required to be made using the forms published on the Electoral Commission’s [website](#). The forms for a disclosure period are published on the website on the first day of the disclosure lodgement period and are removed prior to the end of the next disclosure lodgement period. Those people responsible for submitting a disclosure are notified when the forms are available for use and provided with information on how and when to disclose.

On 21 June 2021, the Electoral Commission launched Funding and Disclosure Online, an online disclosure system. The system was available to prepare and submit disclosures for the disclosure lodgement period ending 30 June 2021 which were due to be received from 1 July 2021. Funding and Disclosure Online was also available for amended disclosures to be submitted for disclosure lodgement periods 31 December 2018 onwards. During 2020–21, no amended disclosures were received through Funding and Disclosure Online.

Fact sheets were published on the Electoral Commission’s website to help people comply with the disclosure requirements. The disclosure requirements are promoted on the Electoral Commission’s website at the time disclosures are due to be submitted. The Electoral Commission aims to increase awareness of the disclosure requirements more broadly by promoting the disclosure requirements on social media platforms.

The disclosure forms include a declaration that must be made by the person responsible for making the disclosure. The declaration is to the effect that all that is required to be disclosed has been disclosed. Each disclosure received is checked to make sure the person who is lawfully required to submit the disclosure has signed the declaration and used the approved form.

Political parties are provided with a worksheet to populate the information required to be disclosed in lieu of using the tables in the disclosure forms. A disclosure form must be signed and submitted even if a worksheet has been used.

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

If a disclosure has not been submitted in the form and manner approved by the Electoral Commission or in accordance with the Electoral Funding Act the disclosure is taken to be ‘invalidly’ submitted. An invalid disclosure generally occurs where:

- the approved form is not used
- the declaration was not made by the person responsible.

In such cases, the person responsible for submitting the disclosure is notified and advised how to validly submit the disclosure.

An ‘incomplete’ disclosure form is one where the information submitted is not complete. When an ‘incomplete’ disclosure form is received the person responsible for making the disclosure is notified and is given an opportunity to provide the information to be disclosed.

The Electoral Funding Act provides that a person who submitted a disclosure (or that person’s successor as the agent of the party, elected member, group, candidate, third-party campaigner or associated entity concerned) may amend the disclosure by submitting an amended disclosure with the Electoral Commission. An amended disclosure must be in the manner and form approved by the Electoral Commission. An amended disclosure can alter, omit, add or substitute information disclosed.

The Electoral Commission is authorised under the Electoral Funding Act to audit disclosures that are received and to enforce breaches of the disclosure requirements. Detailed information about the audit activities of the Electoral Commission is set out in the Compliance and enforcement section of this report.

Disclosures of political donations and electoral expenditure continued

Disclosures received during 2020–21

During 2020–21, 5,039 disclosures were expected to be received for the disclosure periods listed in Table 11. The number of disclosures submitted on time was 3,548 representing an overall 'on-time' lodgement rate of approximately 70 per cent. There were 1,265 disclosure submitted after the due date. Amended disclosures were also received and several disclosures and amended disclosures were also received for prior periods.

The Electoral Commission is required to publish, as soon as practicable, disclosures of reportable political donations and electoral expenditure and any other information it considers relevant. During 2020–21 we published 5,063 disclosures that were received. These included disclosures and amended disclosures received for prior periods.

Detailed information about prior period can be found in annual reports on the Electoral Commission's [website](#).

On-time lodgement rates

A comparison of 'on-time' lodgement rates in Table 12 shows a decline in the level of compliance by several political participants. This may be partly explained by the COVID-19 pandemic impacting the capacity of people to disclose on time if they were working from home and did not have ready access to political donation and electoral expenditure records. In addition, the Electoral Commission did not hold email addresses for several major political donors, so those donors were not reminded directly of their disclosure obligation. Previous years' data,

however, shows a steady decline from a low compliance baseline in the first year of the current Electoral Commission's operations. The 'on-time' lodgement rate by donors will also change once the Electoral Commission is made aware of major political donors through the disclosures made by political parties and other political participants, and contacts those donors who have not made a disclosure.

The decline in compliance from major political donors suggests there is still a significant lack of awareness by donors of their disclosure obligations. That will be the focus of awareness-raising activities – including the recipients of such donations – in the future.

Second half-yearly political donation disclosures 2019-20

Political donation disclosures for the second half-yearly period ending 30 June 2020 were due to be submitted between 1 July and 28 July 2020. No elections were held in the second half-yearly period, so this was not a major period for disclosure.

We expected to receive 1,547 half-yearly disclosures. We received 1,038 by the due date, taking into account that the due date was extended in a number of cases mainly due to COVID-19 impacts; 448 disclosures were received in 2020–21 after the due date and 61 were not received when due.

Table 11. Disclosures received and relevant disclosure periods 2020–21

Disclosure period	Disclosure period	First date of lodgement	Disclosures due
Second-half yearly political donation 2019–20	1 January 2020 to 30 June 2020	1 July 2020	28 July 2020
Annual electoral expenditure 2019–20	1 July 2019 to 30 June 2020	1 July 2020	22 September 2020
Annual reportable political donations by donors 2019–20	1 July 2019 to 30 June 2020	1 July 2020	28 July 2020
First-half period political donation 2020–21	1 July 2020 to 31 December 2020	1 January 2021	28 January 2021

Table 12. On-time lodgement rates for disclosures received since 2014-15

Political participant	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Political parties	81%	78%	64%	72%	76%	76%	72%
Elected members	83%	76%	67%	74%	76%	70%	75%
Candidates	63%	71%	64%	60%	78%	78%	56%
Groups of candidates	71%	67%	65%	58%	75%	68%	53%
Third-party campaigners	85%	N/A	54%	47%	98%	80%	100%
Associated entities	N/A	N/A	N/A	N/A	100%	67%	100%
Donors	52%	57%	50%	47%	43%	43%	31%

Note: Where "N/A" is shown, the political participant category was not required to submit disclosures or there were no political participants of that category for that year.

Table 13. Disclosure obligations and disclosures received second half-yearly period 2019-20

Political participant	Disclosure obligations	Received on time	Received late	Not received	On time lodgement
Political parties	47	31	16	0	66%
Elected members	1,421	968	399	54	68%
Candidates	69	32	30	7	46%
Groups of candidates	5	2	3	0	40%
Third-party campaigners	1	1	0	0	100%
Associated entities	4	4	0	0	100%
Total	1,547	1,038	449	61	67%

The due date was extended in 52 cases with respect to disclosures to be made by or on behalf of three political parties and 49 elected members.

In addition to disclosures lodged there were 14 amended disclosures lodged by or on behalf of two political parties, 10 elected members and one candidate.

There were 81 disclosures that were not validly lodged. In 76 cases a valid disclosure form was subsequently lodged. The most common reasons for a disclosure form not being validly lodged were that the wrong disclosure form was used or that the declaration made on the form did not comply (for example, was not signed or was signed by the wrong person).

Disclosures of political donations and electoral expenditure continued

There were 1,028, or 69 per cent of disclosures received that were nil disclosures. A nil disclosure is one where no political donations were disclosed. Table 14 shows the nil disclosures received.

Table 14. Nil disclosures received for the second half-yearly period 2019-20

Political participant	Number of nil disclosures received	Nil disclosures as a percentage of all disclosures received by political participant
Political parties	24	51%
Elected members	942	69%
Candidates	52	84%
Groups of candidates	5	71%
Third-party campaigners	1	100%
Associated entities	4	100%
Total	1,028	69%

Based on the disclosures and amended disclosures received in 2020-21, a total of \$5,446,417.01 in political donations and reportable loans were received in the half-yearly period, as shown in Table 15.

Table 15. Political donations and loans received second half-yearly period 2019-20

Political participant	Small political donations received	Reportable political donations received	Membership and affiliation fees received	Reportable loans received	Total donations and loans received
Political parties	\$1,521,159.04	\$1,215,324.45	\$1,341,309.87	\$836,334.47	\$4,914,127.83
Elected members	\$23,680.18	\$26,792.00	N/A	\$480,000.00	\$530,472.18
Candidates	\$1,817.00	\$0	N/A	\$0	\$1,817.00
Groups	\$0	\$0	N/A	\$0	\$0
Third-party campaigners	N/A	\$0	N/A	\$0	\$0
Associated entities	\$0	\$0	N/A	\$0	\$0
Total	\$1,546,656.22	\$1,242,116.45	\$1,341,309.87	\$1,316,334.47	\$5,446,417.01

Note: N/A means the political participant category is not required to disclose the category of political donations.

Based on the disclosures and amended disclosures received 2020–21, a total of \$607,446.22 in political donations were made by political participants in the half-yearly period as shown in Table 16.

Table 16. Political donations made second half-yearly period 2019–20

Political participant	Small political donations made	Reportable political donations made	Total
Political parties	\$517.00	\$1,250.00	\$1,767.00
Elected members	\$72,352.14	\$529,554.68	\$601,906.82
Candidates	\$295.00	\$3,477.40	\$3,772.40
Groups	\$0	\$0	\$0
Third-party campaigners	N/A	\$0	\$0
Associated entities	\$0	\$0	\$0
Total	\$73,164.14	\$534,282.08	\$607,446.22

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

The disclosures and amended disclosures received also included the net or gross proceeds from fundraising ventures and functions. The amounts disclosed are listed in Table 17.

Table 17. Net or gross proceeds from fundraising ventures and functions second half-yearly period 2019–20

Political participant	Net or gross proceeds from fundraising ventures and functions
Political parties	\$96,780.80
Elected members	\$25,264.12
Candidates	\$0
Groups	\$0
Third-party campaigners	\$0
Associated entities	\$0
Total	\$122,044.92

The disclosures and amended disclosures received also included the payments made by candidates, elected members and groups of candidates into a campaign account. The amounts disclosed are listed in Table 18.

Table 18. Payments made by candidates, groups, and elected members into a campaign account second half-yearly period 2018–19

Political participant	Payments made into a campaign account
Elected members	\$44,458.07
Candidates	\$0
Groups	\$0
Total	\$44,458.07

Note: the disclosure of payments into a campaign account only applies where a party agent is not the person responsible to disclose on behalf of an elected member, candidate or group.

Disclosures of political donations and electoral expenditure continued

Financial records of political parties

Political parties are required to lodge copies of their financial records with their second half-yearly disclosure. The financial records covered the 2019–20 financial year. These records are used as part of the audits of political party disclosures. Table 19 shows the number of parties that complied with this requirement.

Table 19. Lodgement of financial records by parties second half-yearly disclosure 2019–20

Document	Lodged	Not available/ not lodged	Total
Audited financial statements (only for parties registered for state elections)	14	2	16
Financial records	14	33	47
Chart of accounts	12	35	47
Trial balance	13	34	47
Bank statements	25	22	47

Annual electoral expenditure disclosures 2019–20

Electoral expenditure disclosures for the annual period ending 30 June 2020 were due to be lodged between 1 July and 22 September 2020. The annual period did not include any elections so was not a major period for electoral expenditure disclosures.

We expected to receive 1,547 electoral expenditure disclosures. We received 1,207 by the due date; 297 disclosures were received during 2020–21 after the due date and 43 were not received by the end of the disclosure period.

Table 20. Disclosure obligations and disclosures received annual electoral expenditure period 2019–20

Political participant	Disclosure obligations	Received on time	Received late	Not received	On-time lodgement rate
Political parties	47	39	8	0	83%
Elected members	1,421	1,118	268	35	79%
Candidates	69	43	19	7	62%
Groups of candidates	5	2	2	1	40%
Third-party campaigners	1	1	0	0	100%
Associated entities	4	4	0	0	100%
Total	1,547	1,207	297	43	78%

In no cases was the due date extended.

In addition to disclosures lodged there were two amended disclosures lodged by or on behalf of one political party and one elected member.

There were 56 disclosures that were not validly lodged. In 53 cases a valid disclosure was subsequently lodged. The most common reasons for a disclosure form not being validly lodged were that the wrong disclosure form was used or that the declaration made on the form did not comply (for example, was not signed or was signed by the wrong person).

During 2020–21, 1,427, or 95 per cent of disclosures received were nil disclosures. A nil disclosure is one where no electoral expenditure was disclosed. Table 21 shows the nil disclosures by each category of political participant.

Table 21. Nil disclosures lodged annual electoral expenditure period 2019–20

Political participant	Number of nil disclosures received	Nil disclosures as a percentage of all disclosures received
Political parties	33	70%
Elected members	1,330	96%
Candidates	55	89%
Groups of candidates	4	100%
Third-party campaigners	1	100%
Associated entities	4	100%
Total	1,427	95%

Based on the disclosures and amended disclosures received in 2020–21, a total of \$806,173.79 in electoral expenditure was incurred in the annual period as shown in Table 22.

Table 22. Electoral expenditure incurred annual period 2019–20

Political participant	Political parties	Elected members	Candidates	Groups	Third-party campaigners	Associated entities	Total
Advertising	61,454.71	35,465.79	1,674.80	0	0	0	98,595.30
Production and distribution of electoral material	42,323.78	13,692.29	3,689.82	0	0	0	59,705.89
Internet, telecommunications, stationery, and postage	32,311.11	22,966.01	972.09	0	0	0	56,249.21
Employing staff engaged in election campaigns	53,867.02	71.49	0	0	0	0	53,938.51
Office accommodation for staff and candidates	4,131.78	608.40	0	0	0	0	4,740.18
Travel and travel accommodation for staff and candidates	3,663.88	67.30	0	0	0	0	3,731.18
Election campaign research	14,780.00	0	8,800.00	0	0	0	23,580
Fundraising and audit expenses	480,261.62	25,299.23	72.67	0	0	0	505,633.52
Total	692,793.90	98,170.51	15,209.38	0	0	0	806,173.79

Disclosures of political donations and electoral expenditure continued

Annual major political donor disclosures 2019–20

Major political donor disclosures for the annual period ending 30 June 2020 were due to be received between 1 July and 28 July 2020. As there were no elections, this was not a major period for major political donor disclosures.

We expected to receive approximately 393 major political donor disclosures. We received 120 by the due date, representing an 'on-time' lodgement rate of 31 per cent; 190 disclosures were received during 2020–21 after the due date and 83 were not received during 2020–21.

In no case was the due date extended. In addition to disclosures received, there were six amended disclosures received during 2020–21.

There were 23 disclosure forms that were not validly lodged. In 17 cases a valid disclosure form was subsequently received. The most common reasons for a disclosure form not being validly lodged were that the wrong disclosure form was used or that the declaration made on the form did not comply (for example, was not signed or was signed by the wrong person).

Based on the disclosures and amended disclosures received during 2020–21, a total of \$2,460,791.17 in reportable political donations were disclosed by major political donors as having been made during the annual period ending 30 June 2020.

First half-yearly political donation disclosures 2020–2021

Political donation disclosures for the first half-yearly period ending 31 December 2020 were due to be received between 1 January and 28 January 2021.

There were no elections held in the half-yearly period, so it was not a major disclosure period, however there were a number of candidates, groups and third-party campaigners registered for the 2021 Local Government elections and therefore were required to submit disclosures for this period.

We expected to receive 1,552 half-yearly disclosures. We received 1,183 by the due date, taking into account that the due date was extended in a number of cases; 330 disclosures were received during 2020–21 after the due date and 39 were not received during 2020–21.

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

Table 23. Disclosure obligations and disclosures received first half-yearly period 2020–21

Political participant	Disclosure obligations	Received on time	Received late	Not received	On-time lodgement rate
Political parties	51	41	7	3	80%
Elected members	1,392	1,075	288	29	77%
Candidates	96	57	32	7	59%
Groups of candidates	9	6	3	0	67%
Third-party campaigners	0	0	0	0	N/A
Associated entities	4	4	0	0	100%
Total	1,552	1,183	330	39	76%

There were 92 disclosure forms that were not validly lodged. In 88 cases a valid disclosure form was subsequently received. The most common reasons for a disclosure form not being validly lodged were that the wrong disclosure form was used or that the declaration made on the form did not comply (for example, was not signed or was signed by the wrong person).

There were 1,132 nil disclosures lodged. A nil disclosure is one where no political donations were disclosed. Table 24 shows the nil disclosures by political participant.

Table 24. Nil disclosures lodged first half-yearly period 2019–20

Political participant	Number of nil disclosures lodged	Nil disclosures as a percentage of all disclosures lodged
Political parties	29	60%
Elected members	1,014	74%
Candidates	78	88%
Groups of candidates	7	78%
Third-party campaigners	N/A	N/A
Associated entities	4	100%
Total	1,132	75%

Note: No third-party campaigner disclosures were expected to be received and none were received.

Based on the disclosures and amended disclosures received during 2020–21, a total of \$4,793,864.65 in political donations and reportable loans were received in the half-yearly period as shown in Table 25.

Table 25. Political donations and loans received first half-yearly period 2020–21

Political participant	Small political donations received	Reportable political donations received	Membership and affiliation fees received	Reportable loans received	Total donations and loans received
Political parties	\$576,098.96	\$2,455,835.45	\$942,899.68	\$799,830.94	\$4,774,665.03
Elected members	\$7,717.32	\$8,540.00	N/A	\$0	\$16,257.32
Candidates	\$372.30	\$0	N/A	\$0	\$372.30
Groups	\$570.00	\$2,000.00	N/A	\$0	\$2,570.00
Third-party campaigners	N/A	\$0	N/A	\$0	\$0
Associated entities	\$0	\$0	N/A	\$0	\$0
Total	\$584,758.58	\$2,466,375.45	\$942,899.68	\$799,830.94	\$4,793,864.65

Disclosures of political donations and electoral expenditure continued

Based on the disclosures and amended disclosures received during 2020–21, a total of \$502,081.24 in political donations were made in the half-yearly period as shown in Table 26.

Table 26. Political donations made first half-yearly period 2020–21

Political Participant	Small political donations made	Reportable political donations made	Total
Political parties	\$100.00	\$0	\$100.00
Elected members	\$64,745.77	\$436,739.29	\$501,081.24
Candidates	\$496.18	\$0	\$496.18
Groups	\$0	\$0	\$0
Third-party campaigners*	N/A	\$0	\$0
Associated entities	\$0	\$0	\$0
Total	\$65,341.95	\$436,739.29	\$502,081.24

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

The disclosures and amended disclosures lodged also included the net or gross proceeds from fundraising ventures and functions. The amounts disclosed are listed in Table 27.

Table 27. Net or gross proceeds from fundraising ventures and functions first half-yearly period 2020-2021

Political participant	Net or gross proceeds from fundraising ventures and functions
Political parties	\$161,383.02
Elected members	\$4,868.40
Candidates	\$180.00
Groups	\$1,785.00
Third-party campaigners	\$0
Associated entities	\$0
Total	\$168,216.42

The disclosures and amended disclosures received also included the payments made by candidates, elected members, and groups of candidates into a campaign account. The amounts disclosed are listed in Table 28.

Table 28. Payments made by candidates, groups, and elected members into a campaign account first half-yearly period 2020–21

Political participant	Payments made into a campaign account
Elected members	\$31,492
Candidates	\$8,000
Groups	\$0
Total	\$39,492

Note: the disclosure of payments into a campaign accounts only applies where a party agent is not the person responsible to disclose on behalf of an elected member, candidate, or group.

Disclosures received for past periods

During 2020–21, several disclosures and amended disclosures were received for prior disclosure periods as shown in Table 29. Disclosures that are received past the due date are dealt with in accordance with the Electoral Commission’s Compliance and Enforcement Policy. Amended disclosures are generally received because of findings through a compliance audit.

Table 29. Disclosures and amended disclosures received during 2020–21 for past disclosure periods

Political participant	1st half-yearly period 2019–20	2019 NSW State election pre-election period	2018–19 annual period	2nd half-yearly period 2018–19	1st half-yearly period 2018–19	2017–18 annual period	2016–17 annual period	2015–16 annual period	2013–14 annual period
Political parties	1	2	4	11	6	2		1	
		5							
Elected members	8		3	1	1	2		1	1
	6			17	8				
Candidates		6	33	21	1	25	1		
Groups			1			8			
Third-party campaigners		1	1						
Associated entities									
Major political donors			6			3			
			27						

1 = Number of disclosures

1 = Number of amended disclosures

Note: disclosures and amended disclosures received for disclosure periods 30 June 2018 and prior were submitted according to the now repealed *Election Funding, Expenditure and Disclosures Act 1981*. Under that Act disclosures were lodged annually.

Obligations of registered parties and senior office holders

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

Audited annual financial statements of registered parties

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

The annual financial statements are used as part of the audit and compliance program to ensure parties are complying with the disclosure and public funding requirements of the Electoral Funding Act.

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

During 2020–21, the audited annual financial statements were due to be received by 20 October 2020. Of the 16 parties registered for state elections at that time, 14 provide copies of the audited annual financial statements. The 'waiver' applied in two cases and those parties did not provide copies of the statements.

Senior office holders of registered parties

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

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

During 2020–21 the registered parties that received public funding payments had all provided a list of senior office holders. The lists are published on the Electoral Commission's website. The Electoral Commission was notified on 20 occasions of changes to senior office holder lists. No public funding payments were withheld or delayed due to a party not providing a list or not notifying the Electoral Commission of changes to a list.

Public funding

The Electoral Funding Act provides for three schemes where public funds may be approved by the Electoral Commission for payment to eligible political parties, candidates and members of the NSW Parliament. Information about public funding claims is published and updated on the Electoral Commission's website, in accordance with the legislation.

The three schemes are:

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

Each scheme sets out criteria that determines eligibility to receive payments, the way claims for funding must be made and the rules for assessing the amount a claimant is entitled to receive.

One of the objects of the Electoral Funding Act is to provide for the effective administration of public funding of elections, recognising the importance of the appropriate use of public revenue for that purpose. To support this objective the Electoral Commission audits claims, and claimants are required to respond to requests for information and provide documents to support the audit process.

A risk-based audit is undertaken for each claim. A risk-based audit may include auditing a sample of expenditure included in a claim. A risk profile is determined for each claimant based on the likelihood and consequence of potential incidents of including unauthorised expenditure in a claim.

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

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

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

Election Campaigns Fund

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

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

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

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

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

During 2020–21, the Electoral Commission made payments from the Election Campaigns Fund to one eligible candidate for the 2019 NSW State election and one eligible candidate for the 2021 Upper Hunter State by-election.

The total amount paid from the Election Campaigns Fund during 2020–21 was \$43,108.08.

Public funding continued

Following a state election, we advise all eligible parties and candidates of the maximum amount payable and the process and deadline for making a claim. The maximum amount payable is based on the number of first preference votes received by the eligible party or candidate. The maximum entitlement of eligible parties and candidates can be found on the Electoral Commission's [website](#) and the '[dollar per vote](#)' amounts.

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

2019 NSW State election

During 2019–20, a candidate made a claim for payment after the due date of 2 September 2019. The Electoral Commission accepted the claim and extended the due date with respect to the candidate. While the claim was received during 2019–20, payment was made during 2020–21.

2021 Upper Hunter State by-election

The Upper Hunter state by-election was held 22 May 2021. Thirteen candidates registered under the *Electoral Funding Act 2018* were duly nominated for election. Six of those candidates received at least four per cent of the first preference votes at the by-election and were therefore eligible to make a claim from the Election Campaigns Fund. The due date for making a claim is 28 September 2021. The eligible candidates are:

1. DRAYTON, Jeff
2. GILROY, Sue
3. LAYZELL, Dave
4. McNAMARA, Dale
5. NORMAN, Tracey
6. O'CONNELL, Kirsty

Parties are not eligible to make claims with respect to a by-election. During 2020–21, one candidate made a claim for payment and a payment was made.

Table 30. Payments made with respect to the 2019 NSW State election

Candidate name	Electoral District	Party Affiliation	Maximum amount payable	Payment amount	Payment date
Saud Abu-Samen	Bankstown		\$16,657.92	\$16,657.92	25/08/2020

Table 31. Payments made with respect to the Upper Hunter State by-election

Candidate name	Party affiliation	Maximum amount payable	Payment amount	Payment date
Sue Gilroy	Shooters, Fishers & Farmers Party (NSW) Incorporated	\$26,450.16	\$26,450.16	30/06/2021

Administration Fund

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

- expenditure on the administration or management of the activities of the eligible party or elected member
- expenditure for conferences, seminars, meetings, or similar functions at which the policies of the eligible party or elected member are discussed or formulated
- expenditure on providing information to the public or a section of the public about the eligible party or elected member
- expenditure on providing information to members and supporters of the eligible party or elected member
- expenditure in respect of the audit of the financial accounts of the eligible party or elected member
- expenditure on equipment and training to ensure compliance by the eligible party, elected members or endorsed candidates of the eligible party with the obligations under the *Electoral Funding Act 2018*
- expenditure on the reasonable remuneration of staff engaged in the above activities for the eligible party or elected member (being the proportion of that remuneration that relates to the time spent on those activities)
- reasonable expenditure on equipment or vehicles used for the purposes of the above activities (being the proportion of the cost of their acquisition and operation that relates to the use of the equipment or vehicles for those activities)
- expenditure on office accommodation for the above staff and equipment
- expenditure on interest payments on loans.

Administrative and operating expenditure does not include:

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

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

The fund operates on a calendar-year basis where eligible parties and elected members have a maximum amount payable each quarter and a claim for quarterly payment may be made following the end of a quarter.

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

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

During 2020–21, payments were made with respect to expenditure incurred during the 2020 and 2021 calendar years. The maximum amounts payable for expenditure incurred in the 2020 calendar year are published on the Electoral Commission's [website](#). The maximum amounts payable for expenditure incurred in the 2021 calendar year are in Table 8 of this report.

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

To make a quarterly advance payment it is presumed the eligible party or elected member will continue to be eligible for payments at the end of the quarter. After a quarter has ended an eligible party or elected member is entitled to claim a quarterly payment for that quarter. Expenditure incurred in the quarter can be included in a quarterly claim and any expenditure from a previous

Public funding continued

quarter in the calendar year that has been carried over. Claims for quarterly payment must be made within three months of the end of a quarter.

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

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

The Electoral Commission paid over \$14.4 million from the Administration Fund to nine eligible parties and three eligible independent elected members during 2020–21. Copies of claims for payment received and payments and repayments made are published on the Electoral Commission's [website](#).

Payments made with respect to expenditure incurred in the 2020 calendar year are shown in Table 32.

Table 32. Amounts paid during 2020–21 for administrative expenditure incurred during 2020

Name of party or MP	Quarterly maximum amount*	Payment type	Status	Amount	Date of payment/ Repayment
Alexander Greenwich	\$58,600.00	2nd quarterly payment	Paid	\$13,852.66	6/08/2020
	\$58,600.00	3rd quarterly advance	Paid	\$29,300.00	1/07/2020
		3rd quarterly payment	Paid	\$14,661.21	17/12/2020
	\$58,600.00	4th quarterly advance	Paid	\$29,300.00	1/10/2020
		4th quarterly payment	Paid	\$17,507.47	31/03/2021
Animal Justice Party	\$155,500.00	1st quarterly payment	Paid	\$77,750.00	23/07/2020
	\$155,500.00	2nd quarterly payment	Paid	\$77,750.00	1/10/2020
	\$155,500.00	3rd quarterly advance	Paid	\$77,750.00	1/07/2020
		3rd quarterly payment	Paid	\$77,750.00	22/01/2021
	\$155,500.00	4th quarterly advance	Paid	\$77,750.00	1/10/2020
		4th quarterly payment	Paid	\$77,750.00	31/03/2021
Australian Labor Party (NSW Branch)	\$878,500.00	2nd quarterly payment	Paid	\$439,250.00	1/10/2020
	\$878,500.00	3rd quarterly advance	Paid	\$439,250.00	1/07/2020
		3rd quarterly payment	Paid	\$439,250.00	22/12/2020
	\$878,500.00	4th quarterly advance	Paid	\$439,250.00	1/10/2020
		4th quarterly payment	Paid	\$439,250.00	28/04/2021
Christian Democratic Party (Fred Nile Group)	\$90,800.00	2nd quarterly payment	Paid	\$45,400.00	4/08/2020
	\$90,800.00	3rd quarterly advance	Paid	\$45,400.00	1/07/2020
		3rd quarterly payment	Paid	\$45,400.00	17/12/2020
	\$90,800.00	4th quarterly advance	Paid	\$45,400.00	1/10/2020
		4th quarterly payment	Paid	\$45,400.00	11/03/2021

Name of party or MP	Quarterly maximum amount*	Payment type	Status	Amount	Date of payment/Repayment
Country Labor Party/ Australian Labor Party (NSW Branch)	\$287,600.00	2nd quarterly payment	Paid	\$143,800.00	1/10/2020
	\$287,600.00	3rd quarterly advance	Paid	\$143,800.00	1/07/2020
		3rd quarterly payment	Paid	\$143,800.00	22/12/2020
	\$287,600.00	4th quarterly advance	Paid	\$143,800.00	1/10/2020
Gregory Piper	\$58,600.00	2nd quarterly payment	Paid	\$1,543.90	30/07/2020
	\$58,600.00	3rd quarterly advance	Paid	\$29,300.00	1/07/2020
		3rd quarterly payment	Repaid	\$3,860.44	17/03/2021
	\$58,600.00	4th quarterly advance	Paid	\$29,300.00	1/10/2020
		4th quarterly payment	Repaid	\$5,949.66	17/03/2021
Joseph McGirr	\$58,600.00	1st quarterly payment	Repaid	\$7,911.93	20/07/2020
		1st quarterly payment**	Paid	\$5,196.50	29/09/2020
	\$58,600.00	2nd quarterly payment	Paid	\$17,503.34	18/09/2020
	\$58,600.00	3rd quarterly advance	Paid	\$29,300.00	1/07/2020
		3rd quarterly payment	Repaid	\$2,763.40	3/11/2020
	\$58,600.00	4th quarterly advance	Paid	\$29,300.00	1/10/2020
4th quarterly payment		Repaid	\$6,877.08	8/04/2021	
The Liberal Party of Australia, NSW Division	\$878,500.00	2nd quarterly payment	Paid	\$439,250.00	17/09/2020
	\$878,500.00	3rd quarterly advance	Paid	\$439,250.00	1/07/2020
		3rd quarterly payment	Paid	\$439,250.00	14/01/2021
	\$878,500.00	4th quarterly advance	Paid	\$439,250.00	1/10/2020
		4th quarterly payment	Paid	\$439,250.00	18/03/2021

Public funding continued

Name of party or MP	Quarterly maximum amount*	Payment type	Status	Amount	Date of payment/ Repayment
National Party of Australia – NSW	\$691,900.00	1st quarterly payment	Paid	\$345,950.00	23/07/2020
	\$691,900.00	2nd quarterly payment	Paid	\$345,950.00	27/10/2020
	\$660,800.00	3rd quarterly advance	Paid	\$345,950.00	1/07/2020
		3rd quarterly payment	Paid	\$314,850.00	14/01/2021
	\$660,800.00	4th quarterly advance	Paid	\$330,400.00	1/10/2020
		4th quarterly payment	Paid	\$330,400.00	28/04/2021
Pauline Hanson's One Nation	\$155,500.00	1st quarterly payment	Repaid	\$6,745.00	8/09/2020
	\$155,500.00	2nd quarterly payment	Paid	\$16,662.35	4/01/2021
	\$155,500.00	3rd quarterly advance	Paid	\$77,750.00	1/07/2020
		3rd quarterly payment	Paid	\$9,719.31	22/01/2021
	\$155,500.00	4th quarterly advance	Paid	\$77,750.00	1/10/2020
		4th quarterly payment	Paid	\$23,265.26	15/04/2021
Shooters, Fishers and Farmers Party (NSW) Incorporated	\$256,500.00	2nd quarterly payment	Paid	\$128,250.00	13/08/2020
	\$256,500.00	3rd quarterly advance	Paid	\$128,250.00	1/07/2020
		3rd quarterly payment	Paid	\$128,250.00	12/11/2020
	\$256,500.00	4th quarterly advance	Paid	\$128,250.00	1/10/2020
4th quarterly payment		Paid	\$128,250.00	11/02/2021	
The Greens NSW	\$287,600.00	1st quarterly payment	Paid	\$121,660.95	23/07/2020
	\$287,600.00	2nd quarterly payment	Paid	\$143,800.00	22/10/2020
	\$287,600.00	3rd quarterly advance	Paid	\$143,800.00	1/07/2020
		3rd quarterly payment	Paid	\$143,800.00	18/02/2021
	\$287,600.00	4th quarterly advance	Paid	\$143,800.00	1/10/2020
		4th quarterly payment	Paid	\$143,800.00	28/04/2021
Total of all payments:				\$9,641,930.46	

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

** Supplementary payment following amended claim.

Payments made with respect to expenditure incurred in the 2021 calendar year are shown in Table 33.

Table 33. Amounts paid during 2020–21 for administrative expenditure incurred during 2021

Name of party or elected member	Quarterly maximum amount*	Payment type	Status	Amount	Date of payment/repayment
Alexander Greenwich	\$58,800.00	1st quarterly advance	Paid	\$29,400.00	4/01/2021
		1st quarterly payment	Paid	\$19,605.36	17/06/2021
	\$58,800.00	2nd quarterly advance	Paid	\$29,400.00	1/04/2021
Animal Justice Party	\$156,000.00	1st quarterly advance	Paid	\$78,000.00	4/01/2021
		2nd quarterly advance	Paid	\$78,000.00	1/04/2021
Australian Labor Party (NSW Branch)	\$881,300.00	1st quarterly advance	Paid	\$440,650.00	4/01/2021
		1st quarterly payment	Paid	\$440,650.00	30/06/2021
	\$881,300.00	2nd quarterly advance	Paid	\$440,650.00	1/04/2021
Christian Democratic Party (Fred Nile Group)	\$91,100.00	1st quarterly advance	Paid	\$45,550.00	4/01/2021
		1st quarterly payment	Paid	\$45,550.00	29/04/2021
	\$91,100.00	2nd quarterly advance	Paid	\$45,550.00	1/04/2021
Country Labor Party/ Australian Labor Party (NSW Branch)	\$288,500.00	1st quarterly advance	Paid	\$144,250.00	4/01/2021
Gregory Piper	\$58,800.00	1st quarterly advance	Paid	\$29,400.00	4/01/2021
	\$58,800.00	2nd quarterly advance	Paid	\$29,400.00	1/04/2021
Joseph McGirr	\$58,800.00	1st quarterly advance	Paid	\$29,400.00	4/01/2021
		1st quarterly payment	Repaid	\$20,841.45	1/06/2021
	\$58,800.00	2nd quarterly advance	Paid	\$29,400.00	1/04/2021
The Liberal Party of Australia, NSW Division	\$881,300.00	1st quarterly advance	Paid	\$440,650.00	4/01/2021
		1st quarterly payment	Paid	\$440,650.00	15/06/2021
	\$881,300.00	2nd quarterly advance	Paid	\$440,650.00	1/04/2021
National Party of Australia – NSW	\$631,700.00	1st quarterly advance	Paid	\$331,450.00	4/01/2021
	\$662,900.00	2nd quarterly advance	Paid	\$331,450.00	1/04/2021
Pauline Hanson's One Nation	\$156,000.00	1st quarterly payment	Paid	\$153,905.16	17/06/2021
	\$156,000.00	2nd quarterly advance	Paid	\$78,000.00	1/04/2021
Shooters, Fishers and Farmers Party (NSW) Incorporated	\$257,300.00	1st quarterly advance	Paid	\$128,650.00	4/01/2021
		1st quarterly payment	Paid	\$128,650.00	17/05/2021
	\$257,300.00	2nd quarterly advance	Paid	\$128,650.00	1/04/2021
The Greens NSW	\$288,500.00	1st quarterly advance	Paid	\$144,250.00	4/01/2021
	\$288,500.00	2nd quarterly advance	Paid	\$144,250.00	1/04/2021
Total of all payments:				\$4,866,901.97	

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

Public funding continued

New Parties Fund

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

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

Policy development expenditure does not include:

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

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

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

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

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

The maximum amounts payable for the 2020 calendar year are published on the Electoral Commission's [website](#).

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

The Electoral Commission paid \$41,789.91 from the New Parties Fund to two eligible parties during 2020–21. The payments were made in relation to expenditure incurred by the parties in the 2020 calendar year. Copies of claims for payment received and payments made are published on the Electoral Commission's website. Five eligible parties did not lodge a claim for payment for expenditure incurred in 2020.

Table 34. Amounts paid during 2020–21 for expenditure incurred in calendar 2020

Name of party	Maximum entitlement	Status	Payment made	Date of payment
Flux NSW	\$12,800.00			
Liberal Democratic Party	\$72,044.43			
Open Party	\$100,891.28			
Reason Party NSW	\$31,470.57	Paid	\$31,470.57	22/03/2021
Socialist Alliance	\$10,319.34	Paid	\$10,319.34	15/02/2021
Sustainable Australia (NSW)	\$90,405.11			
The Small Business Party	\$22,621.88			
Total amount paid:	\$340,552.61		\$41,789.91	

Public funding payments not made

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

During 2020–21, no party, elected member or candidate that made a claim for payment was ineligible for payment due to any outstanding disclosure or audited financial statement.

Repayments of public funding

The Electoral Commission is authorised to recover any excess public funding amounts paid to a party, candidate, or elected member. This generally occurs where the amount of expenditure actually incurred by an elected member or a party in a period is less than the amount paid in advance.

There were eight repayments of public funding during 2020–21 totalling \$134,278.33. Three repayments were in relation to payments made during 2019–20 and five were in relation to payments made during 2020–21.

Table 35. Repayments of public funding

Fund	Party, elected member or candidate	Amount repaid	Repayment date
Administration Fund	Gregory Piper	\$3,860.44	17/03/2021
Administration Fund	Gregory Piper	\$5,949.66	17/03/2021
Administration Fund	Joseph McGirr	\$7,911.93	20/07/2020
Administration Fund	Joseph McGirr	\$2,763.40	3/11/2020
Administration Fund	Joseph McGirr	\$6,877.08	8/04/2021
Administration Fund	Joseph McGirr	\$20,841.45	1/06/2021
Administration Fund	Pauline Hanson's One Nation	\$6,745.00	8/09/2020
Election Campaigns Fund	The Greens	\$79,329.37	14/06/2021
Total amount repaid		\$134,278.33	

Compliance and enforcement

The Electoral Commission is responsible for the monitoring and enforcement of compliance with New South Wales electoral and lobbying laws.

The Electoral Commission is required to report statistical information about the use of its enforcement powers. These include issuing statutory notices to require the provision of documents or information or require a person to attend an interview and to undertake an inspection.

During 2020–21, the Electoral Commission continued to regulate and enforce the Electoral Act and the Electoral Funding Act and, the now repealed, *Parliamentary Electorates and Elections Act 1912* and the *Election Funding, Expenditure and Disclosures Act 1981*, for breaches of the legislation that occurred before 1 July 2018.

Additionally, the Electoral Commission regulated and enforced matters under the Local Government Act (electoral provisions only) and the Lobbying of Government Officials Act.

In relation to the above legislation, the Electoral Commission seeks to detect, review and investigate potential non-compliance, initiating enforcement actions as appropriate and operate in accordance with key policies and procedures including the following that are published on the Electoral Commission's [website](#).

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

Limits on authority to disclose compliance and enforcement information

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

During 2020–21, the Chair of the Electoral Commission did not issue any statements in relation to its enforcement of the legislation for which the Electoral Commission is responsible. Previous statements made by the Chair can be found on the Electoral Commission's [website](#).

Under the Lobbying of Government Officials Act, the Electoral Commission is required to publish on its [website](#) any decisions to refuse to register a third-party lobbyist, suspend or cancel the registration of a third-party lobbyist, place a third-party lobbyist or other lobbyist on the Lobbyist Watch List and determine that a third-party lobbyist is ineligible to be registered.

ICAC inquiry into lobbying regulation in NSW

During the reporting year, the ICAC finalised its inquiry into lobbying regulation in NSW: Operation Eclipse. Although the Electoral Commission could not assist the inquiry by providing detailed information about specific compliance activities, it was able to suggest some potential legislative changes that may enhance the transparency and operational effectiveness of the existing scheme. These included a suggestion to expand the reporting and investigation powers of the Electoral Commission, particularly so it had a similar suite of compliance tools as comparable agencies.

The ICAC's final report into Operation Eclipse was released on 22 June 2021. The Electoral Commission notes that the ICAC has recommended significant structural reforms and a new scheme for the regulation of lobbying in NSW, including the creation of a dedicated lobbying regulator.

The Electoral Commission will continue to administer its lobbying regulation responsibilities under the existing scheme, noting the recommendations of the ICAC for reform are a matter for the NSW Government and the NSW Parliament.

Compliance structure

The Electoral Commission's compliance framework is structured around core audit and investigation capabilities with the work, processes and procedures supported by ongoing compliance and intelligence functions.

The Electoral Commission receives allegations of breaches of electoral and lobbying laws directly from members of the public, the media, political stakeholders and other government agencies. Non-compliance with electoral funding and lobbying laws are also identified through compliance audits and other operational processes.

The Electoral Commission conducts compliance audits of parties, elected members, candidates, groups, third-party campaigners and associated entities to determine compliance with the requirements for political donations and electoral expenditure. Compliance reviews are undertaken of disclosures lodged by major political donors.

As part of the compliance audits the Electoral Commission audits disclosures of political donations and electoral expenditure. The Electoral Commission may appoint a registered company auditor to undertake an audit of a disclosure on its behalf. During 2020–21, the Electoral Commission did not appoint any registered company auditors.

A political party, elected member, group of candidates, candidate, third-party campaigner or associated entity must assist the Electoral Commission with the audit of a disclosure by complying with reasonable requests for information, explanations, financial and other records.

A compliance audit includes assessing compliance with all aspects of the laws that apply to political donations and electoral expenditure including the use and operation of campaign accounts and the registration of electoral participants for the purposes of accepting political donations and making payments for electoral expenditure.

Using a risk-based approach, the validity and completeness of disclosures is determined and supporting documentation such as financial records, invoices and receipts are verified.

Table 36 shows a summary of the compliance audits on disclosures received that were commenced or finalised during 2020–21.

Where compliance issues including financial or factual anomalies are identified through a compliance audit, or review, enforcement action may be taken including issuing warnings, cautions or penalty notices.

Compliance reviews are also conducted on registered third-party lobbyists and the Electoral Commission may issue warnings or suspend or cancel the registration of third-party lobbyist where there is a failure to comply with the Lobbying of Government Officials Act or the Lobbyists Code of Conduct.

In certain cases, a compliance matter may be referred to another NSW government agency. This may occur where the matter is not within the Electoral Commission's remit or the Electoral Commission is required by law to refer a matter in the case of referrals to the Independent Commission Against Corruption.

Table 36. Compliance audits and reviews finalised and commenced for disclosures received during 2020–21

Political participant	Audits finalised for the 12-month disclosure period ending 30 June 2019	Audits finalised for the 12-month disclosure period ending 30 June 2020	Audits commenced for the 12-month disclosure period ending 30 June 2020	Audits to be started for the 12-month disclosure period ending 30 June 2020
Political parties	240	3	0	136
Elected members	4,146	391	85	3,661
Candidates	2,046	0	0	137
Groups	35	0	0	10
Third-party campaigners	70	0	0	3
Associated entities	12	-	-	12
Major political donors	1,323	155	3	154
Total	7,972	539	88	4,113

Compliance and enforcement continued

Information management and case recording

All compliance and enforcement work undertaken by the Electoral Commission is recorded using the systems of the agency.

A customer relationship platform has been highly customised to support the Electoral Commission's Funding and Disclosure Management System (FADMS). FADMS is used to record and manage the audit of disclosures. FADMS platform contains disclosure data inputted through the lodgement of disclosures and published to the Electoral Commission's website.

Another matter management platform has been customised to support the Electoral Commission's Investigations Matter Management System (IMMS). IMMS

is used to manage compliance reviews and investigations. IMMS ensures that cases can be easily tracked with workflows of actions, activities, and milestones.

Both FADMS and IMMS also store audit, high volume non-compliance, and investigation and intelligence data securely in the agency's records management system.

Audit and compliance activities

Compliance operations for the 2021 Upper Hunter State by-election

Compliance operations were conducted during the election period to support the fair and transparent conduct of the election. Investigators were on the ground in the Upper Hunter during the early voting period and on election day to identify any potential unlawful conduct and/or electoral material and worked with electoral participants to remedy non-compliance at the time it occurred.

Table 37. Potential offences under the Electoral Act

Reference	Offence	Maximum penalty
S.121	Conduct of scrutineers	\$5,500 or 6 months imprisonment or both
S.123(2)	Conduct at a voting centre	\$1,100
S.183	Printing, publishing and distributing non-complying electoral material	Corporation: \$11,000 Other: \$2,200 or 6 months imprisonment or both.
S.184(2)	Display of posters	Corporation: \$1,375 Other: \$275
S.186	Name and address on electoral material	Corporation: \$11,000 Other: \$2,200 or 6 months imprisonment or both
S.198	Canvassing on election days	\$2,200
S.208	Obstructing access to a voting centre	\$1,100
S.209	Bribery, treating and selling of votes	\$22,000 or 3 years imprisonment or both
S.210	Interference with right to vote	\$22,000 or 3 years imprisonment or both
S.212	Multiple voting	\$22,000 or 3 years imprisonment or both
S.215	Display, publish or distribute material falsely appearing to be made by Electoral Commission	\$22,000 or 2 years imprisonment

Table 38. Potential offences under the Electoral Funding Act

Reference	Offence	Maximum penalty
s42 s145(1)	Third-party campaigner – failure to register and appoint an agent	\$44,000 or 2 years imprisonment or both

The compliance operation commenced from the opening of the early voting period on Monday, 10 May and concluded on election day Saturday, 22 May 2021. Five investigators from the Electoral Commission participated in the operation. In addition to their functions as inspectors under the Electoral Funding Act, the investigators were also appointed to the role of election official under the Electoral Act so that they could exercise functions under that Act throughout the operation.

Investigators attended early voting centres for the opening and closing of early voting. Each early voting centre in the Upper Hunter district was visited at least once during the early voting period.

On election day, investigators inspected voting centres and engaged with various stakeholders, including the election manager, voting centre manager, candidates, campaigners, and volunteers. The presence of the investigators served the dual purpose of educating stakeholders on their obligations under the Electoral Act and the Electoral Funding Act as well as acting as a deterrent for non-compliant behaviour. On election day, 20 voting centres were visited, with priority given to those voting centres with an expected high voter turnout.

There were 15 matters reviewed regarding alleged breaches of legislation, including some online activities on websites and social media. All allegations were reviewed in accordance with the Electoral Commission's Compliance and Enforcement Policy, with priority given to educating political participants, sometimes with the assistance of online providers, so they could remediate non-compliance where possible. All allegations were acknowledged in writing within 24 hours of receipt of the allegation.

Focused reviews following compliance audits of disclosures

During 2020–21, the audit team identified 95 matters arising from its compliance audits where further review was warranted. These mostly related to suspected failures to:

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

In relation to the above matters, warnings were issued as shown in Table 39. A warning is issued to the person who was responsible for complying with the disclosure requirements. References to an official agent of an elected member, candidate or group refer to matters prior to 1 July 2018 when elected members, candidates and groups were required to have an official agent.

Table 39. Warnings issued because of compliance audit referrals to the investigations team

Political participant	Warnings issued
Party agents	0
Official agents of elected members	0
Official agents of candidates	3
Official agents of groups of candidates	4
Official agents of third-party campaigners	0
Official agents of associated entities	0
Major political donors	0
Total warnings issued from compliance audits and reviews	7

Failure to lodge disclosures

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

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

Compliance and enforcement continued

During 2020–21, the Investigations team worked on examining those who lodged a disclosure past the due date, or who had failed to lodge a disclosure. The following disclosure periods were examined:

- half-yearly political donation disclosures for the period 1 January 2020 to 30 June 2020, due 28 July 2020
- annual expenditure disclosures for the period 1 July 2019 to 30 June 2020, due 22 September 2020
- annual disclosures of reportable political donations by major political donors for the period 1 July 2019 to 30 June 2020, due 28 July 2020
- half-yearly political donation disclosures for the period 1 July 2020 to 31 December 2020, due 28 January 2020.

Table 40 shows the number of ‘first-level warnings’ issued through to enforcement actions taken in response to disclosures not lodged or not lodged by the due date. In these cases, the enforcement action is taken against the person responsible for submitting the disclosure.

Table 40. Enforcement actions in response to a failure to submit a disclosure by the due date

Enforcement action	2 nd half-yearly disclosures 2019–20	Annual expenditure disclosures 2019–20	Annual major political donor disclosures 2019–20	1 st half-yearly disclosures 2020–21	Total
Warning	266	183	236	184	869
Caution	59	27	60	39	185
Penalty Notice	27	34	1	17	79
Recommendation to prosecute	3	4	0	7	14

The Electoral Commission continues to exercise its discretion in some matters to issue a caution where it may have otherwise considered taking different enforcement action, such as issuing a penalty notice or prosecuting, in cases where the COVID-19 pandemic was having a significant impact on a stakeholder’s ability to comply with the legislative requirements.



Investigations

Reviews and investigations

During 2020–21, the Investigations team considered 131 new matters of non-compliance and potential breaches under the legislation for which the Electoral Commission has authority to enforce. The team consists of investigators who are appointed by the Electoral Commission to exercise the Electoral Commission's enforcement and investigation functions.

Election Funding, Expenditure and Disclosures Act and Electoral Funding Act

During 2020–21, 34 new matters were reviewed relating to potential breaches of the now repealed Election Funding, Expenditure and Disclosures Act¹ and Electoral Funding Act. The breaches related mainly to the acceptance of unlawful political donations.

Electoral Act

The majority of potential breaches under the Electoral Act during the 2020–21 period related to the Upper Hunter State by-election held on 22 May 2021, with the exception of failure to vote matters that related to the 2019 NSW State election. A review or investigation into a failure to vote matter is only conducted if the matter is not resolved by a separate penalty notice process and is expected to be heard by a court.

Local Government Act

During 2020–21 there were 15 new matters reviewed relating to potential breaches of the electoral provisions of the Local Government Act. Except for failure to vote matters that were for past elections, most of these matters related to electoral material for the 2021 Local Government elections but fell outside the regulated period for enforcement. A review or investigation into a failure to vote matter is only conducted if the matter is not resolved by a separate penalty notice process and is expected to be heard by a court.

Table 41. Outcomes of reviews and investigations conducted into breaches of the Election Funding, Expenditure and Disclosures Act

Activity	Total	No further action	Warnings	Cautions	Recovery of unlawful political donations	Prosecution	Ongoing
Review/ Investigation	6	3	0	2	0	0	1

Table 42. Outcomes of reviews and investigations conducted into breaches of the Electoral Funding Act

Activity	Total	No further action	Warnings	Cautions	Recovery of unlawful political donations	Prosecution	Ongoing
Review/ Investigation	28	13	0	9	3	0	5

Table 43. Outcomes of reviews and investigations conducted into breaches of the Electoral Act

Activity	Total	No further action	Warnings	Cautions	Prosecution	Ongoing	Failure to vote
Review/ Investigation	77	8	8	0	0	2	59

Table 44. Outcomes of reviews and investigations conducted into breaches of the Local Government Act

Activity	Total	No further action	Warnings	Cautions	Prosecution	Ongoing	Failure to vote
Review/ Investigation	15	8	0	0	0	1	6

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

Lobbying of Government Officials Act

During 2020–21 there was one new matter reviewed relating to potential breaches of the provisions of the Lobbying of Government Officials Act, other than in relation to not updating registered details.

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

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

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

During 2020–21 the registrations of 12 third-party lobbyists were suspended or cancelled, and several registered third-party lobbyists received a warning for a breach of the Act or the Lobbyists Code of Conduct. There were no third-party lobbyists placed on the Watch List.

Table 46 shows the number of warnings issued and third-party lobbyist registrations that were suspended or cancelled during 2020–21 due to breaches of the Lobbying of Government Officials Act or Lobbyists Code of Conduct. The registrations of six third-party lobbyists were suspended and the registrations of six third-party lobbyists were cancelled. One request was received to review the decision to cancel the registration of a third-party lobbyist. A review was conducted and the original decision to cancel the registration was upheld.

Details of the decisions made by the Electoral Commission in relation to the suspension or cancellation of registrations of third-party lobbyists and the reasons for those decisions are published on the Electoral Commission's [website](#).

Table 45. Outcomes of reviews and investigations conducted into breaches of the Lobbying of Government Officials Act

Activity	Total	No further action	Warnings	Cautions	Prosecution	Ongoing
Review/ Investigation	1	0	0	0	0	1

Table 46. Suspensions and cancellations of third-party lobbyist registrations for breaches of the Act or the Lobbyists Code of Conduct 2020–21

Reason	Warnings issued	Suspension of registration	Cancellation of registration
Failure to appoint a person responsible for ensuring the lobbyist's compliance	0	0	0
Failure to ensure the responsible officer undertakes annual training	0	0	0
Failure to update the register within 10 days of a change in registered details	0	0	0
Failure to confirm registered details are up to date	73	6	6

Investigations continued

Use of enforcement powers

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

These powers enable inspectors within the Investigations team to conduct investigations.

The Electoral Commission's enforcement powers can also be used to investigate potential breaches of the Electoral Act, the Lobbying of Government Officials Act, electoral provisions of the Local Government Act as well as matters under the now repealed Parliamentary Electorates and Elections Act and Election Funding, Expenditure and Disclosures Act.

The Electoral Funding Act also provides that an inspector appointed by the Electoral Commission may enter a premises to inspect documents for the purposes of ascertaining whether the Electoral Funding Act is being, or has been, contravened. During 2020–21 no inspections were undertaken.

Table 47 shows the number of notices issued under section 138 of the Electoral Funding Act.

Table 47. Notices issued

Notice type	Purpose	Number issued
s.138(a) Electoral Funding Act	Require information	14
s.138(b) Electoral Funding Act	Require the provision of documents	8
s.138(c) Electoral Funding Act	Answer questions	0
s.138(d) Electoral Funding Act	Attend interview	11
Total		43

Table 48. Recovery of unlawful political donations

Political participant	Number	Total value
Political parties	3	\$21,950
Candidates	1	\$200
Third-party campaigners	1	\$49,257
Total	5	\$71,407

Recovery of unlawful political donations and electoral expenditure incurred in excess of an applicable expenditure cap

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

During 2020–21 there were five matters that resulted in the recovery of unlawful political donations to the value of \$71,407, including two matters that were initiated in prior years. The political donations were unlawful due to the donor not being on the electoral roll or the donation was in excess of an applicable political donation cap. The value of the political donations was recovered voluntarily from those who accepted the unlawful donations.

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

Compliance agreements

Compliance agreements are a tool for remedying and/or avoiding breaches of electoral funding laws by way of a set of agreed actions between a duty-holder and the Electoral Commission. During 2020–21 one new agreement was entered into and the Electoral Commission continued to monitor, as required, compliance with agreements entered into in previous years.

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

During the year, 79 penalty notices were issued by authorised officers of the Electoral Commission for breaches of the Electoral Funding Act.

Table 49. Penalty notices issued for apparent breaches of the Electoral Funding Act

Breach	Penalty Amount	Number of penalty notices issued
Failure to lodge a disclosure by a party agent – s.141(1)	\$2,750	1
Failure to lodge a disclosure by anyone other than a party agent – s.141(1)	\$1,100	78
Total		79

In accordance with the Fines Act a person can apply for a review of the decision to issue a penalty notice. Reviews of penalty notice decisions issued under the Electoral Funding Act are conducted by authorised officers of the Electoral Commission. The Electoral Commission received 35 applications to conduct an internal review of our decision to issue a penalty notice. In 26 instances the outcome of the review was for penalty to stand, eight penalty notices were withdrawn, and cautions were issued, and one penalty notice was withdrawn with no further action taken.

Litigation

Failure to vote proceedings

One failure to vote prosecution brought forward from 2019–20 concluded in October 2020. The prosecution concerned an elector who failed to vote at the 2019 NSW State election. The elector was found guilty and fined \$110.

During 2020–21, the Electoral Commission commenced proceedings in relation to 34 electors who failed to vote at the 2019 NSW State election. Twenty of the 34 matters were concluded in 2020–21, with outcomes ranging from a conviction and imposition of the maximum penalty (fine of \$110) to an order dismissing the charge in accordance with section 10(1)(a) of the *Crimes (Sentencing Procedure) Act 1999*. The remaining matters will continue to be dealt with in 2021–22.

The Electoral Commission also commenced proceedings in relation to four electors who failed to vote at local government by-elections held in 2018, one each relating to the respective Hills Shire and City of Wollongong by-elections and two relating to the City of Penrith by-elections. Two of these matters were concluded, with one matter relating to the City of Wollongong and the other relating to the City of Penrith remaining on foot.

Failure to lodge disclosure proceedings

Two prosecutions were carried over from 2019–20 for the offence of failure to lodge a declaration under the former Election Funding, Expenditure and Disclosures Act which was repealed by the Electoral Funding Act on 1 July 2018. Both prosecutions resulted in convictions as follows:

- August 2020 – defendant convicted of failing to lodge a declaration as a candidate for the 2017 Murray River Council elections for the 2017–18 relevant disclosure period. A fine of \$2,500 was imposed by the court.
- November 2020 – defendant convicted of failing to lodge a declaration as a candidate for the 2016 Singleton Shire Council elections for the 2017–18 relevant disclosure period. A fine of \$2,000 was imposed by the court.

Other Election Funding, Expenditure and Disclosures Act proceedings

In August 2020 the Electoral Commission commenced proceedings against a member of Orange City Council for offences under the Election Funding, Expenditure and Disclosures Act. The defendant in the proceedings stood as an independent candidate for the November 2016 State by-election for Orange. The defendant was charged with offences under the Election Funding, Expenditure and Disclosures Act relating to their actions concerning monies received for his election campaign, as follows:

- Section 96H(3) Election Funding, Expenditure and Disclosures Act – giving information to their official agent knowing it would result in the making of a false statement in a disclosure required to be made under the Election Funding, Expenditure and Disclosures Act, and
- Section 96I(1) read with 96C(1) Election Funding, Expenditure and Disclosures Act – accepting a reportable political donation being aware that a record of the donation has not been made or a receipt provided.

It was alleged that the defendant had received a reportable political donation but had instead told their official agent that the money deposited into their campaign account was “self-funding”, resulting in the amount being incorrectly disclosed in their candidate disclosure for the 2016–17 relevant disclosure period. Further, that they were aware at the time that they accepted the money that it was a reportable political donation requiring a receipt to be provided and that no such receipt was provided.

The defendant pleaded not guilty to both offences. The matter was listed for hearing at Orange Local Court and was heard over three days: 18–20 May 2021.

The defendant was found guilty of both offences and the matter has been listed for sentencing.

Table 50. Prosecutions commenced 2019–20 and 2020–21

Act	Matter	Number of matters in 2019–20	Number of matters in 2020–21
Election Funding, Expenditure and Disclosures Act	Failure to lodge a declaration of disclosure of political donations and electoral expenditure	2	0
Election Funding, Expenditure and Disclosures Act	Candidate gave false information to official agent knowing it would result in the making of a false statement in a disclosure	0	1
Election Funding, Expenditure and Disclosures Act	Accepting a reportable political donation being aware that a record has not been made or receipt not provided	0	1
Local Government Act	Failure to vote	0	4
Electoral Act	Failure to vote	2	34

Civil proceedings

There have been no civil proceedings in 2020–21 relating to the statutory functions of the Electoral Commission.

Looking forward to 2021-22



Registration of electoral participants for the 2021 Local Government elections, State by-elections and 2023 State General election

New member appointments to the Electoral Commission



Compliance operations for the 2021 Local Government elections and State by-elections



Delivery of enhancements to Funding and Disclosure Online



Planning and preparations for the 2023 NSW State election

Publication of political donation disclosures for the 2021 Local Government elections and State by-elections



Glossary

Refer also to the Glossary on the Electoral Commission's [website](#).

Name/Title	Definition
Associated entity	A corporation or another entity that operates solely for the benefit of one or more parties registered for State elections or members of the NSW Parliament.
Candidate	<p>A person who is nominated in accordance with the Electoral Act or Local Government Act for election to the NSW Parliament or to civic office and whose nomination has been accepted by the Electoral Commissioner or Returning Officer. Only duly nominated candidates have their names included on a ballot paper.</p> <p>Under the Electoral Funding Act, a candidate includes a person registered as a candidate under the Electoral Funding Act for the purpose of accepting political donations and electoral expenditure.</p> <p>A candidate under the Electoral Funding Act also includes an unregistered candidate who has accepted a political donation or made a payment for electoral expenditure for the election.</p>
Cap on electoral expenditure	Electoral expenditure incurred by parties, groups, candidates, and third-party campaigners is capped during the capped expenditure period of a state election and the capped local government expenditure period of a local government election. There are different caps applicable to parties, groups, candidates, and third-party campaigners.
Cap on political donations	Political donations made to registered political parties, unregistered parties, elected members, groups, candidates, associated entities, and third-party campaigners are subject to caps. There are different caps applicable to registered political parties, unregistered parties, elected members, groups, candidates, associated entities, and third-party campaigners.
Capped expenditure period	The period during which the electoral expenditure of parties, groups, candidates, and third-party campaigners is capped for a state or local government election.
Disclosure	The disclosure of political donations and electoral expenditure by a party, elected member, candidate, group, third-party campaigner, associated entity, or major political donor to the Electoral Commission.
Donor	A person or entity who makes a political donation to a party, elected member, candidate, group or other person or entity (including a third-party campaigner or associated entity). See also: Major political donor.
Elector	A person eligible to vote at an election.
Electoral expenditure	Electoral expenditure is money or its equivalent spent: directly or indirectly promoting or opposing a political party or candidate or directly or indirectly influencing the voting at an election.
Electoral Act	<i>Electoral Act 2017</i>
Electoral Regulation	<i>Electoral Regulation 2018</i>
Electoral Funding Act	<i>Electoral Funding Act 2018</i>
Electoral Funding Regulation	<i>Electoral Funding Regulation 2018</i>
Endorsed	Endorsed, in relation to a party, means endorsed, selected, or otherwise accredited to stand as a representative of the party in an election.

Glossary continued

Name/Title	Definition
Fines Act	<i>Fines Act 1996</i>
Independent	An independent is a candidate for election/member of Parliament who is not endorsed by a political party.
Legislative Assembly	The lower house of the NSW Parliament in NSW. It has 93 members each representing an electoral district. All 93 members are elected at a State general election, every four years.
Legislative Council	The upper house of the NSW Parliament of NSW consisting of 42 members elected for an eight-year term, half of whom (that is, 21) are elected at each State general election every four years.
Lobbying of Government Officials Act	<i>Lobbying of Government Officials Act 2011</i>
Lobbyist/Third-party lobbyist	A third-party lobbyist is an individual or body carrying on the business (generally for money or other valuable consideration) of lobbying government officials on behalf of another individual or body.
Local Government Act	<i>Local Government Act 1993</i>
Local Government Regulation	<i>Local Government (General) Regulation 2021</i>
Major political donor	A person or entity (other than a party, elected member, group or candidate) who makes a reportable political donation. See also: donor.
Political donation	A political donation is a gift made to, or for the benefit of, a party, elected member, group, candidate or other person or entity as defined in section 5 of the Electoral Funding Act.
Political participant	Individuals and groups actively involved in electoral or political processes. Political participants include: <ul style="list-style-type: none"> • candidates and groups • political parties • members of Parliament and councillors • party agents and official agents • associated entities • third-party campaigners • political donors • third-party lobbyists.
Registered party	A political party on the Register of Parties kept by the Electoral Commissioner under the Electoral Act or Local Government Act.
Registration	In relation to a candidate, group of candidates or third-party campaigner for an election, means being registered under the Electoral Funding Act for the purposes of accepting political donations and making payments for electoral expenditure.
Reportable political donation	A political donation of \$1,000 or more made to or for the benefit of a party, elected member, group, candidate, associated entity or third-party campaigner.

NSW Electoral Commission
231 Elizabeth Street, Sydney NSW 2000
GPO Box 832, Sydney NSW 2001
T (+61 2) 9290 5999 | F (+61 2) 9290 5991
Office hours: Monday – Friday, 9am – 5pm
elections.nsw.gov.au