

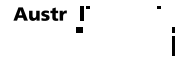
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FINANCIAL STATEMENTS

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Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Special Minister of State

Scope

I have audited the accompanying financial statements of the Australian Electoral Commission for the year ended 30 June 2010, which comprise: the Statement by the Electoral Commissioner and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions; Schedule of Administered Items and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Electoral Commissioner for the Financial Statements

The Electoral Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australian Electoral Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Electoral

Independent auditor's report (continued)

Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Electoral Commissioner, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Australian Electoral Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Electoral Commission's financial position as at 30 June 2010 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



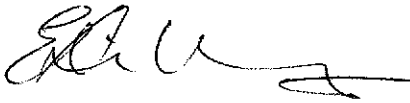
Carla Jago
Executive Director

Delegate of the Auditor-General

Canberra
19 October 2010

STATEMENT BY THE ELECTORAL COMMISSIONER AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2010 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Ed Killesteyn
Electoral Commissioner

17 October 2010



Rachel Harris
Chief Finance Officer

18 October 2010

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
EXPENSES			
Employee benefits	3A	66,923	63,104
Suppliers	3B	53,128	44,148
Depreciation and amortisation	3C	7,075	4,668
Write-down and impairment of assets	3D	607	221
Total expenses		127,733	112,141
LESS:			
OWN-SOURCE INCOME			
Revenue			
Sale of goods and rendering of services	4A	14,221	14,875
Other	4B	-	10
Total revenue		14,221	14,885
Gains			
Sale of assets	4C	-	5
Other	4D	79	77
Total gains		79	82
Total own-source income		14,300	14,967
Net cost of (contribution by) services		113,433	97,174
Revenue from Government	4E	108,997	101,500
Surplus (Deficit) attributable to the Australian Government		(4,436)	4,326
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserve		108	2,566
Total comprehensive income		(4,328)	6,892
Total comprehensive income (loss) attributable to the Australian Government		(4,328)	6,892

The above statement should be read in conjunction with the accompanying notes.

BALANCE SHEET*as at 30 June 2010*

	Notes	2010 \$'000	2009 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	1,210	1,008
Trade and other receivables	5B	25,933	29,364
Total financial assets		27,143	30,372
Non-Financial Assets			
Land and buildings	6A	6,568	7,065
Infrastructure, plant and equipment	6B,C	6,026	6,804
Intangibles	6D,E	10,982	10,047
Inventories	6F	3,357	664
Other	6G	1,487	1,496
Total non-financial assets		28,420	26,076
Assets held for sale		67	-
Lease incentive asset		272	-
Total Assets		55,902	56,448
LIABILITIES			
Payables			
Suppliers	7A	7,240	5,726
Other	7B	3,729	3,302
Total payables		10,969	9,028
Provisions			
Employee provisions	8A	20,028	20,178
Other	8B	2,040	1,965
Total provisions		22,068	22,143
Total Liabilities		33,037	31,171
Net Assets		22,865	25,277
EQUITY			
Parent Entity Interest			
Contributed equity		2,011	95
Reserves		11,038	10,930
Retained surplus		9,816	14,252
Total parent entity interest		22,865	25,277
Total Equity		22,865	25,277

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
as at 30 June 2010

	Retained earnings		Asset revaluation reserves		Contributed equity/capital		Total equity	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	14,252	9,926	10,930	8,364	95	(2,102)	25,277	16,188
Adjusted opening balance	14,252	9,926	10,930	8,364	95	(2,102)	25,277	16,188
Comprehensive income								
Other comprehensive income – Changes in asset revaluation reserve	-	-	108	2,566	-	-	108	2,566
Surplus (Deficit) for the period	(4,436)	4,326	-	-	-	-	(4,436)	4,326
Total comprehensive income	(4,436)	4,326	108	2,566	-	-	(4,328)	6,892
of which:								
Attributable to the Australian Government	(4,436)	4,326	108	2,566	-	-	(4,328)	6,892
Transactions with owners								
<i>Distributions to owners</i>								
Returns on capital	-	-	-	-	-	-	-	-
Returns of contributed equity	-	-	-	-	-	-	-	-
<i>Contributions by Owners</i>								
Appropriation (equity injection)	-	-	-	-	1,916	2,197	1,916	2,197
Sub-total transactions with owners	-	-	-	-	1,916	2,197	1,916	2,197
Closing balance as at 30 June	9,816	14,252	11,038	10,930	2,011	95	22,865	25,277
Closing balance attributable to the Australian Government	9,816	14,252	11,038	10,930	2,011	95	22,865	25,277

The above statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT*for the period ended 30 June 2010*

	Notes	2010 \$'000	2009 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		17,575	16,682
Appropriations		112,382	97,161
Net GST received		3,218	3,414
Other		-	10
Total cash received		<u>133,175</u>	<u>117,267</u>
Cash used			
Employees		66,799	61,403
Suppliers		60,045	49,656
Total cash used		<u>126,844</u>	<u>111,059</u>
Net cash from (used by) operating activities	9	<u>6,331</u>	<u>6,208</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		-	5
Total cash received		<u>-</u>	<u>5</u>
Cash used			
Purchase of property, plant and equipment		4,150	3,362
Purchase of intangibles		3,324	5,716
Total cash used		<u>7,474</u>	<u>9,078</u>
Net cash from (used by) investing activities		<u>(7,474)</u>	<u>(9,073)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		1,345	2,816
Total cash received		<u>1,345</u>	<u>2,816</u>
Cash used			
Other cash used		-	-
Total cash used		<u>-</u>	<u>-</u>
Net cash from (used by) financing activities		<u>1,345</u>	<u>2,816</u>
Net increase (decrease) in cash held		<u>202</u>	<u>(49)</u>
Cash and cash equivalents at the beginning of the reporting period		1,008	1,057
Cash and cash equivalents at the end of the reporting period	5A	<u>1,210</u>	<u>1,008</u>

The above statement should be read in conjunction with the accompanying notes.

SCHEDULE OF COMMITMENTS

as at 30 June 2010

BY TYPE	2010	2009
	\$'000	\$'000
Commitments receivable ¹	(63,275)	(65,232)
GST Recoverable on commitments	(827)	590
Total commitments receivable	(64,102)	(64,642)
Commitments payable		
Other commitments		
Operating leases ²	24,725	25,082
Project commitments ³	11,291	4,838
Other ⁴	36,361	28,813
Total other commitments	72,377	58,733
Net commitments by type	8,275	(5,909)
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	(15,595)	(12,994)
From one to five years	(48,316)	(51,411)
Over five years	(191)	(237)
Total other commitments receivable	(64,102)	(64,642)
Commitments payable		
Operating lease commitments		
One year or less	10,196	8,756
From one to five years	12,947	13,719
Over five years	1,582	2,607
Total operating lease commitments	24,725	25,082
Other Commitments		
One year or less	26,961	16,566
From one to five years	20,163	17,085
Over five years	528	-
Total other commitments	47,652	33,651
Net commitments by maturity	8,275	(5,909)

NB: Commitments were GST inclusive where relevant.

1. Commitments receivable by the AEC relates largely to arrangements with each State and Territory for the sharing of certain costs associated with the maintenance of the joint Commonwealth, State and Territory electoral rolls (2010: \$60.4m; 2009: \$65m).
2. Operating leases include leases for office accommodation and storage that are effectively non-cancellable. The lease payments can be varied periodically to take account of an annual Consumer Price Index increase, a fixed increase or a market increase.
3. Project commitments relate to Federal Election specific projects and state and local government election projects.
4. Other commitments include Information Technology (IT) contractors and service agreements with IT and communication providers (2010: \$22.5m; 2009: \$17.8m).

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ASSET ADDITIONS
for the period ended 30 June 2010

The following non-financial non-current assets were added in 2009–10

	Leashold Improvements \$'000	Other infrastructure plant & equipment \$'000	Intangibles \$'000	Total \$'000
By purchase – appropriation equity	-	-	949	949
By purchase – appropriation ordinary annual services	1,460	2,845	2,374	6,679
Total additions	1,460	2,845	3,323	7,628

The following non-financial non-current assets were added in 2008–09

	Leashold Improvements \$'000	Other infrastructure plant & equipment \$'000	Intangibles \$'000	Total \$'000
By purchase – appropriation equity	-	-	2,223	2,223
By purchase – appropriation ordinary annual services	1,161	2,201	2,035	5,397
Total additions	1,161	2,201	4,258	7,620

This schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED ITEMS

	2010	2009
	\$'000	\$'000
Income administered on behalf of Government		
<i>for the period ended 30 June 2010</i>		
Revenue		
Non-taxation revenue		
Electoral fines/penalties	14	231
Total non-taxation revenue	<u>65</u>	<u>231</u>
Total revenues administered on behalf of Government	<u>65</u>	<u>231</u>
Total income administered on behalf of Government	<u><u>65</u></u>	<u><u>231</u></u>
Expenses administered on behalf of Government		
<i>for the period ended 30 June 2010</i>		
Grants	15A	477
Other	15B	5
Total expenses administered on behalf of Government	<u>260</u>	<u>482</u>
Assets administered on behalf of Government		
<i>as at 30 June 2010</i>		
Financial assets		
Cash and cash equivalents	16A	-
Total financial assets	<u>-</u>	<u>-</u>
Total assets administered on behalf of Government	<u><u>-</u></u>	<u><u>-</u></u>
Administered Cash Flows		
<i>for the period ended 30 June 2010</i>		
Operating Activities		
Cash received		
Electoral fines and penalties	49	227
Other	16	4
Total cash received	<u>65</u>	<u>231</u>
Cash used		
Political Parties/Candidates	260	477
Refund of Electoral fines/penalties	-	5
Total cash used	<u>260</u>	<u>482</u>
Net cash flows from (used by) operating activities	<u>(195)</u>	<u>(251)</u>
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash from Official Public Account for Appropriations	<u>260</u>	<u>482</u>
	<u>260</u>	<u>482</u>
Cash to Official Public Account for Appropriations	<u>(65)</u>	<u>(231)</u>
	<u>(65)</u>	<u>(231)</u>
Cash and cash equivalents at the end of the reporting period	16A	-

Administered Commitments*as at 30 June 2010*

There are no administered commitments for the AEC.

Administered Contingencies*as at 30 June 2010*

There are no administered contingencies for the AEC.

This schedule should be read in conjunction with the accompanying notes.

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the AEC

The Australian Electoral Commission (AEC) is an Australian Government controlled entity. The AEC is an independent statutory body established under the *Commonwealth Electoral Act 1918* for the purpose of conducting elections and referendums, maintaining the electoral roll and providing electoral information, education programs and related services.

While the AEC is predominantly funded by Parliamentary appropriations, revenue is also received for the provision of electoral services to other organisations.

The AEC is structured to meet three outcomes:

- Outcome 1: Voter entitlement for Australians and support for electoral events and redistributions through maintaining an accurate and up-to-date electoral roll.
- Outcome 2: Access to an impartial and independent electoral system for Australians through the provision of election services.
- Outcome 3: Informed Australians through the provision of information services on electoral matters.

The AEC's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the AEC in its own right. Administered activities involve the management or oversight by the AEC, on behalf of the Government, of items controlled or incurred by the Government.

Administered items managed for the Government by the AEC are primarily the collection of Electoral Fees and Fines and the Payment of Election Public Funding under the operations of Outcome 2 (Impartial and independent electoral services).

The continued existence of the AEC in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the AEC's administration and programs.

1.2 Basis of Preparation of the Financial Statements

These financial statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are general purpose financial statements.

The Financial Statements and notes have been prepared in accordance with the:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2009; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets

or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments and the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the income statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.19.

1.3 Significant Accounting Judgments and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. Of the new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable to the current period, none have had a material impact on the AEC, although changes to AASB 101 *Presentation of Financial Statements* have changed the presentation of the AEC's financial statements.

Future Australian Accounting Standard Requirements

The new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable to future periods will not have a material impact on the AEC.

1.5 Revenue

Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the AEC gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from the rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

1.6 Gains

Other resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7).

Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. There were no distributions to owners in 2009–10 or 2008–09.

1.8 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the AEC is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the AEC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2010.

Annual leave is disclosed as current as there is a legal right to the payment, irrespective of whether the payment is expected to be paid within 12 months or not.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The AEC recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the AEC are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or have exercised *SuperChoice* and nominated their own fund.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. In a limited number of cases, eligible employees may also nominate a different superannuation scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The AEC makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the AEC's employees. The AEC accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final five working days of the year.

Temporary staff members of the AEC have their superannuation paid into their nominated fund or if no fund is nominated, the Australian Government Employees Superannuation Trust (AGEST) fund is used.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An

operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The AEC did not have any finance leases as at 30 June 2010.

Operating lease payments are expensed as incurred. Prior to 2009–10 a provision for fixed rate increases was not recorded as the increases did not have a material impact on the financial statements. However, an assessment was done in 2009–10 and it was decided that it would be prudent to take up a provision for the fixed rate increases.

Lease incentives taking the form of ‘free’ leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced across the life of the lease by allocating lease payments between rental expense and reduction of the liability.

1.10 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts held at call with a bank or financial institution.

1.11 Financial Assets

Loans and Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

1.12 Financial Liabilities

Supplier and other payables

Supplier and other payables are recognised at their amortised cost. Liabilities are recognised to the extent that the goods or services have been received, irrespective of having been invoiced.

1.13 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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

1.15 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition except where they form part of a group of similar items which are significant in total.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to ‘makegood’ provisions in property leases taken up by the AEC where there exists an obligation to restore the property to its original condition. These costs are included in the value of AEC’s leasehold improvements with a corresponding provision for the ‘makegood’ recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measured at:
Leasehold Improvements	Depreciated Replacement Cost
Infrastructure, Plant & Equipment	Market Selling Price

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Full valuations are conducted every five years and an internal assessment is carried out in the other years to ensure that the carrying amounts of assets do not differ materially from the assets’ fair values as at the reporting date. Valuations are carried out by an independent qualified valuer.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable infrastructure, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the AEC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2010	2009
Leasehold improvements	lesser of Lease term or useful life	lesser of Lease term or useful life
Plant and Equipment	5 to 10 years	5 to 10 years
IT Equipment	3 to 5 years	3 to 5 years

Impairment

All assets were assessed for impairment at 30 June 2010. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the AEC were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.16 Intangibles

The AEC's intangibles comprise purchased software with an initial cost greater than \$5,000 and internally developed software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Purchased software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the AEC's software are between 3 and 10 years (2009: 3 to 10 years).

Internally developed software is amortised on a diminishing value basis over its anticipated useful life. The useful lives of the AEC's software are between 1 and 11 years. (2009: 3 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2010 with the impairment amount expensed.

1.17 Inventories

No inventory is held for resale.

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

1.18 Taxation

The AEC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.19 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedule of administered items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the AEC for use by the Government rather than the AEC is administered revenue. Collections are transferred to the Official Public Account maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the AEC on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 17: Administered Reconciliation Table. The schedule of administered items largely reflects the Government's transactions, through the AEC, with parties outside the Government.

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the AEC on behalf of the Australian Government.

Note 2: Events After the Balance Sheet Date

There are no events after the reporting date that will materially affect the financial statements.

Note 3: Expenses

	2010	2009
	\$'000	\$'000
Note 3A: Employee Benefits		
Wages and salaries	57,363	48,588
Superannuation:		
Defined contribution plans	2,380	1,772
Defined benefit plans	5,977	6,207
Leave and other entitlements	(605)	5,082
Separation and redundancies	1,808	1,455
Total employee benefits	66,923	63,104
Note 3B: Suppliers		
Goods and Services		
IT & Telecommunications	10,382	10,604
Contractors	6,784	4,708
Mailing & Freight	6,595	4,251
Property	3,931	4,015
Travel	4,072	3,116
Printing & publications	1,955	1,450
Consultants	862	302
Employee related	1,257	1,288
Advertising	1,986	941
Legal	197	837
Training	1,163	752
Office supplies	1,404	598
Other	924	851
Total goods and services	41,512	33,713
Goods and services are made up of:		
Provision of goods – related entities	5,712	4,442
Provision of goods – external parties	18,550	13,800
Rendering of services – related entities	915	2,019
Rendering of services – external parties	16,335	13,452
Total goods and services	41,512	33,713
Other supplier expenses		
Operating lease rentals – related entities:		
Minimum lease payments	1,487	1,829
Operating lease rentals – external parties:		
Minimum lease payments	9,787	7,533
Workers compensation expenses	342	1,073
Total other supplier expenses	11,616	10,435
Total supplier expenses	53,128	44,148

Note 3: Expenses (continued)

	2010	2009
	\$'000	\$'000
Note 3C: Depreciation and Amortisation		
Depreciation:		
Infrastructure, plant and equipment	2,857	1,813
Leasehold improvements	1,931	1,184
Total depreciation	<u>4,788</u>	<u>2,997</u>
Amortisation:		
Intangibles:		
Computer software	2,287	1,671
Total amortisation	<u>2,287</u>	<u>1,671</u>
Total depreciation and amortisation	<u>7,075</u>	<u>4,668</u>
Note 3D: Write-Down and Impairment of Assets		
Impairments of financial asset:		
Bad and doubtful debts expense	(1)	(23)
Asset write-downs and impairments from:		
Impairment on leasehold improvements	600	-
Impairment of property, plant and equipment	9	30
Impairment on intangible assets	(1)	214
Total write-down and impairment of assets	<u>607</u>	<u>221</u>

Note 4: Income

	2010	2009
REVENUE	\$'000	\$'000
<u>Note 4A: Sale of Goods and Rendering of Services</u>		
Provision of goods – related entities	109	57
Provision of goods – external parties	10,882	10,417
Rendering of services – related entities	3,000	2,256
Rendering of services – external parties	230	2,145
Total sale of goods and rendering of services	14,221	14,875
<u>Note 4B: Other Revenue</u>		
Other	-	10
GAINS		
<u>Note 4C: Sale of Assets</u>		
Infrastructure, plant and equipment:		
Proceeds from sale	-	5
Carrying value of assets sold	-	-
Net gain from sale of assets	-	5
<u>Note 4D: Other Gains</u>		
Resources received free of charge	79	77
REVENUE FROM GOVERNMENT		
<u>Note 4E: Revenue from Government</u>		
Appropriations:		
Departmental outputs	99,997	92,500
Departmental special appropriations	9,000	9,000
Total revenue from Government	108,997	101,500

Note 5: Financial Assets

	2010	2009
	\$'000	\$'000
Note 5A: Cash and Cash Equivalents		
Cash on hand or on deposit	1,210	1,008
Total cash and cash equivalents	1,210	1,008
Note 5B: Trade and Other Receivables		
Goods and Services:		
Goods and services – related entities	284	314
Goods and services – external parties	59	209
Total receivables for goods and services	343	523
Appropriations receivable:		
For existing outputs	23,126	25,940
For additional outputs	-	-
Total appropriations receivable	23,126	25,940
Other receivables:		
GST receivable from the Australian Taxation Office	1,282	521
Other	1,191	2,389
Total other receivables	2,473	2,910
Total trade and other receivables (gross)	25,941	29,373
Less impairment allowance account:		
Goods and services	(8)	(9)
Total trade and other receivables (net)	25,933	29,364
Receivables are expected to be recovered in:		
Less than 12 months	25,933	29,364
More than 12 months	-	-
Total trade and other receivables (net)	25,933	29,364
Receivables are aged as follows:		
Not overdue	25,882	29,063
Overdue by:		
0 to 30 days	51	132
31 to 60 days	-	169
61 to 90 days	-	1
More than 90 days	8	8
Total receivables (gross)	25,941	29,373
The impairment allowance account is aged as follows:		
Overdue by:		
61 to 90 days	-	(1)
More than 90 days	(8)	(8)
Total impairment allowance account	(8)	(9)

Note 5: Financial Assets (continued)

Reconciliation of the impairment allowance account:

Movements in relation to 2010

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	9	-	9
Amounts written off	(3)	-	(3)
Amounts recovered and reversed	-	-	-
Increase/decrease recognised in net surplus	2	-	2
Closing balance	8	-	8

Movements in relation to 2009

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	32	-	32
Amounts written off	(1)	-	(1)
Amounts recovered and reversed	(23)	-	(23)
Increase/decrease recognised in net surplus	1	-	1
Closing balance	9	-	9

Note 6: Non-Financial Assets

	2010	2009
	\$'000	\$'000
Note 6A: Land and Buildings		
Leasehold improvements:		
Work in progress	111	569
Fair value	7,392	7,390
Accumulated depreciation	(935)	(894)
Total leasehold improvements	6,568	7,065
Total land and buildings	6,568	7,065

No indicators of impairment were found for land and buildings.

Note 6B: Infrastructure, Plant and Equipment

Infrastructure, plant and equipment:		
Gross carrying value (at fair value)	6,026	6,808
Accumulated depreciation	-	(4)
Total infrastructure, plant and equipment	6,026	6,804
Total infrastructure, plant and equipment (non-current)	6,026	6,804

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2009, an independent valuer Rodney Hyman Asset Services Pty Ltd performed a full valuation of the assets of the AEC. For 30 June 2010, the same valuer conducted a desktop update of the assets valued in 2009 plus the additions and disposals for the 2009/10 financial year.

A revaluation increment of \$669,247 for leasehold improvements (2009: \$1,590,660) was credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet. Similarly a decrement of \$675,826 for plant and equipment (2009: \$665,743 increment) was debited to the asset revaluation reserve and included in the equity section of the balance sheet.

Revaluation increments of \$201,274 for leasehold improvements (2009: \$839,588) were credited to the makegood provision included in the liability section of the balance sheet.

No indicators of impairment were found for infrastructure, plant and equipment. (2009: \$30,170). Impairment expense for Leasehold Improvements is \$491,870. (2009: \$nil)

Note 6: Non-Financial Assets (continued)**Note 6C –****Reconciliation of the Opening and Closing balances of Property, Plant and Equipment (2009–10)**

	Leashold Improvements \$'000	IP & E \$'000	Total \$'000
As at 1 July 2009			
Gross book value	7,959	6,808	14,767
Accumulated depreciation/amortisation and impairment	(894)	(4)	(898)
Net book value 1 July 2009	7,065	6,804	13,869
Additions:			
By purchase	1,460	2,845	4,305
Revaluations recognised in other comprehensive income	669	(675)	(6)
Impairments recognised in the operating result	(492)	-	(492)
Revaluations recognised in the operating result	(201)	-	(201)
Assets Held for Sale	-	(67)	(67)
Depreciation expense	(1,932)	(2,857)	(4,789)
Disposals	(1)	(24)	(25)
Net book value 30 June 2010	6,568	6,026	12,594
Net book value as of 30 June 2010 represented by:			
Gross book value	7,503	6,026	13,529
Accumulated depreciation/amortisation and impairment	(935)	-	(935)
	6,568	6,026	12,594

Reconciliation of the opening and closing balances of property, plant and equipment (2008–09)

	Leashold Improvements \$'000	IP & E \$'000	Total \$'000
As at 1 July 2008			
Gross book value	14,119	11,784	25,903
Accumulated depreciation/amortisation and impairment	(9,460)	(6,005)	(15,465)
Net book value 1 July 2008	4,659	5,779	10,438
Additions:			
By purchase	1,161	2,201	3,362
Revaluations recognised in other comprehensive income	2,429	667	3,096
Impairments recognised in the operating result	-	(30)	(30)
Depreciation expense	(1,184)	(1,813)	(2,997)
Net book value 30 June 2009	7,065	6,804	13,869
Net book value as of 30 June 2009 represented by:			
Gross book value	7,959	6,808	14,767
Accumulated depreciation/amortisation and impairment	(894)	(4)	(898)
	7,065	6,804	13,869

Note 6: Non-Financial Assets (continued)

	2010	2009
	\$'000	\$'000
Note 6D: Intangibles		
Computer software:		
Internally developed – in progress	953	3,190
Internally developed – in use	32,984	29,386
Purchased	1,683	1,707
Total computer software (gross)	35,620	34,283
Accumulated amortisation	(24,638)	(24,236)
Total intangibles (net)	10,982	10,047

Revaluation increments of \$nil for intangibles (2009: \$309,961) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet.

Indicators of impairment were found for intangible assets with a net result of \$8,915. (2009: \$214,843). This amount has been expensed.

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 6: Non-Financial Assets (continued)**Note 6E: Reconciliation of the opening and closing balances of intangibles (2009–10)**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2009			
Gross book value	32,576	1,707	34,283
Accumulated depreciation/amortisation and impairment	(24,227)	(9)	(24,236)
Net book value 1 July 2009	8,349	1,698	10,047
Additions:			
By purchase or internally developed	3,191	132	3,323
Impairments recognised in the operating result	(9)	-	(9)
Amortisation	(1,448)	(839)	(2,287)
Disposals	-	(92)	(92)
Net book value 30 June 2010	10,083	899	10,982
Net book value as of 30 June 2010 represented by:			
Gross book value	33,937	1,683	35,620
Accumulated depreciation/amortisation and impairment	(23,854)	(784)	(24,638)
	10,083	899	10,982

Reconciliation of the opening and closing balances of intangibles (2008–09)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2008			
Gross book value	29,569	3,778	33,347
Accumulated depreciation/amortisation and impairment	(23,614)	(2,368)	(25,982)
Net book value 1 July 2008	5,955	1,410	7,365
Additions:			
By purchase or internally developed comprehensive income	3,723	535	4,258
	-	310	310
Impairments recognised in the operating result	(208)	(7)	(215)
Amortisation	(1,121)	(550)	(1,671)
Net book value 30 June 2009	8,349	1,698	10,047
Net book value as of 30 June 2009 represented by:			
Gross book value	32,576	1,707	34,283
Accumulated depreciation/amortisation and impairment	(24,227)	(9)	(24,236)
	8,349	1,698	10,047

Note 6: Non-Financial Assets (continued)

	2010	2009
	\$'000	\$'000
Note 6F: Inventories		
Election equipment at cost (ballot paper and voting equipment)	<u>3,357</u>	<u>664</u>
Total inventories	<u><u>3,357</u></u>	<u><u>664</u></u>

During 2009–10, \$468,137 of inventory held for distribution was recognised as an expense (2009: \$351,198) No items of inventory were recognised at fair value less cost to sell.

Note 6G: Other Non-Financial Assets

Prepayments	<u>1,487</u>	<u>1,496</u>
Total other non-financial assets	<u><u>1,487</u></u>	<u><u>1,496</u></u>

All other non-financial assets are expected to be recovered in less than 12 months.
No indicators of impairment were found for other non-financial assets.

Note 7: Payables

	2010	2009
	\$'000	\$'000

Note 7A: Suppliers

Trade creditors	7,240	5,726
Total supplier payables	7,240	5,726

Supplier payables expected to be settled within 12 months:

Related entities	252	363
External parties	6,988	5,363
Total supplier payables	7,240	5,726

Settlement is usually made within 30 days.

Note 7B: Other Payables

Salaries and wages	1,556	1,295
Superannuation	304	124
Separations and redundancies	34	242
Unearned revenue	1,835	1,641
Total other payables	3,729	3,302

Total other payables expected to be settled within 12 months:

Related entities	1,803	1,577
External parties	1,926	1,725
Total other payables	3,729	3,302

Note 8: Provisions

	2010	2009
	\$'000	\$'000

Note 8A: Employee Provisions

Leave	20,028	20,178
Total employee provisions	20,028	20,178

Employee provisions are expected to be settled in:

No more than 12 months	3,768	4,964
More than 12 months	16,260	15,214
Total employee provisions	20,028	20,178

Note 8B: Other Provisions

Lease incentives	495	89
Restoration obligations	1,398	1,876
Lease straight-line	147	-
Total other provisions	2,040	1,965

Other provisions are expected to be settled in:

No more than 12 months	402	787
More than 12 months	1,638	1,178
Total other provisions	2,040	1,965

	Lease Incentives	Provision for restoration	Lease Straight line	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2009	89	1,876	-	1,965
Additional provisions made	566	1,366	147	2,079
Amounts used	(160)	(1,844)	-	(2,004)
Closing balance 30 June 2010	495	1,398	147	2,040

The AEC currently has 41 agreements for the leasing of premises which have provisions requiring the AEC to restore the premises to their original condition at the conclusion of the lease. The AEC has made a provision to reflect the present value of this obligation.

Note 9: Cash Flow Reconciliation

	2010	2009
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash flow statement	1,210	1,008
Balance sheet	1,210	1,008
Difference	<u>-</u>	<u>-</u>
Reconciliation of operating result to net cash from operating activities:		
Net cost of services	(113,433)	(97,174)
Add revenue from Government	108,997	101,500
Adjustments for non-cash items		
Depreciation /amortisation	7,075	4,668
Net write down of non-financial assets	782	244
Gain on disposal of assets	-	(5)
Changes in assets / liabilities		
(Increase) / decrease in lease incentive asset	(272)	-
(Increase) / decrease in net receivables	4,002	(4,133)
(Increase) / decrease in inventories	(2,693)	(47)
(Increase) / decrease in prepayments	8	107
Increase / (decrease) in employee provisions	(150)	1,435
Increase / (decrease) in supplier payables	1,514	(1,988)
Increase / (decrease) in other payables	427	812
Increase / (decrease) in other provisions	74	789
Net cash from / (used by) operating activities	<u>6,331</u>	<u>6,208</u>

Note 10: Contingent Liabilities and Assets**Quantifiable Contingencies**

At 30 June 2010, the AEC had no quantifiable contingencies. As the AEC had no quantifiable contingencies in either the current or immediately preceding reporting period, the Schedule of Contingencies has not been produced in these financial statements.

Unquantifiable Contingencies

At 30 June 2010, the AEC had no unquantifiable contingencies.

Significant Remote Contingencies

At 30 June 2010, the AEC had no remote contingencies (2009: \$128,900). The two remote contingencies reported in 2009 relating to make good of office leases have been reassessed and included in the relevant provision.

Note 11 : Senior Executive Remuneration

Note 11A Actual Remuneration Paid to Senior Executives

Executive Remuneration

	2010	2009
The number of senior executives who received:		
\$160 000 to \$174 999	2	1
\$175 000 to \$189 999	2	4
\$190 000 to \$204 999	2	1
\$205 000 to \$219 999	1	3
\$220 000 to \$234 999	3	3
\$235 000 to \$249 999	-	1
\$250 000 to \$264 999	1	1
\$265 000 to \$279 999	-	1
\$280 000 to \$294 999	2	-
\$295 000 to \$309 999	1	-
\$310 000 to \$324 999	-	-
\$325 000 to \$339 999	1	1
\$340 000 to \$354 999	1	-
Total	16	16

Total expense recognised in relation to Senior Executive employment

	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	2,752,789	2,457,036
Changes in annual leave provisions	175,612	(18,087)
Performance bonus	233,684	290,706
Other ¹	42,124	175,855
Total Short-term employee benefits	3,204,209	2,905,510
Superannuation (post-employment benefits)	364,921	428,634
Movement in long service provisions	245,611	197,036
Total	3,814,741	3,531,180

During the year the entity paid \$280,674 in termination benefits to senior executives (2009: \$194,435).

Notes

1. 'Other' includes higher duties and other allowances.

Note 11 : Senior Executive Remuneration (continued)**Note 11B Salary Packages of Senior Executives**

Average annualised remuneration packages for substantive Senior Executives employed at 30 June

	As at 30 June 2010			As at 30 June 2009		
	No. SES	Base Salary (including annual leave)	Remuneration package ¹ \$	No. SES	Base Salary (including annual leave)	Remuneration package ¹ \$
Total remuneration:						
\$160,000 to \$174,999	-			3	110,730	166,397
\$175,000 to \$189,999	6	129,628	180,012	3	122,881	180,535
\$190,000 to \$204,999	3	139,047	196,246	4	135,795	198,749
\$205,000 to \$219,999	3	149,713	214,843	3	145,747	212,207
\$220,000 to \$234,999	2	162,765	222,965	1	156,287	225,588
\$235,000 to \$249,999	1	170,039	242,840	-		
\$250,000 to \$264,999	2	199,724	259,271	1	175,704	256,996
\$325,000 to \$339,999	1	238,930	339,660	1	231,970	329,760
Total	18			16		

Notes

- Where staff are eligible for performance bonuses this is calculated at 9.7% of total remuneration package excluding bonus as this is the average bonus over the past three years.
- Average annualised remuneration packages are based on determinations as at 30 June 2010.
- Total Remuneration Package does not include additional amounts accrued for Long Service Leave.

Note 12: Remuneration of Auditors

	2010	2009
	\$'000	\$'000
Financial statement audit services were provided free of charge to the AEC. The fair value of the services provided was:		
Audit Services	<u>79</u>	<u>77</u>
No other services were provided by the Auditor-General.		

Note 13: Financial Instruments

	2010	2009
	\$'000	\$'000
<u>Note 13A: Categories of Financial Instruments</u>		
Financial Assets		
Cash and cash equivalents	1,210	1,008
Loans and receivables:		
Receivables for goods and services	<u>343</u>	<u>523</u>
Carrying amount of financial assets	<u><u>1,553</u></u>	<u><u>1,531</u></u>
Financial Liabilities		
At amortised cost:		
Trade creditors	<u>7,240</u>	<u>5,726</u>
Carrying amount of financial liabilities	<u><u>7,240</u></u>	<u><u>5,726</u></u>
<u>Note 13B: Net Income and Expense from Financial Assets</u>		
Loans and receivables		
Impairment	<u>(1)</u>	<u>(23)</u>
Net gain/(loss) from financial assets	<u><u>(1)</u></u>	<u><u>(23)</u></u>

The net expense from financial assets not at fair value from the income statement is -\$1,000 (2009: -\$23,000)

Note 13C: Fair Value of Financial Instruments

The carrying amount of financial instruments does not differ from the fair value.

Note 13D: Credit Risk

The AEC's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The AEC has no significant exposures to any concentration of credit risk.

Note 13: Financial Instruments (continued)**Note 13D: Credit Risk continued****Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due nor impaired 2010 \$'000	Not past due nor impaired 2009 \$'000	Past due or impaired 2010 \$'000	Past due or impaired 2009 \$'000
Cash and cash equivalents	1,210	1,008	-	-
Receivables for goods and services	343	213	59	310
Total	1,553	1,221	59	310

Ageing of financial assets that were past due but not impaired for 2010

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	51	-	-	-	51
Total	51	-	-	-	51

Ageing of financial assets that were past due but not impaired for 2009

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	132	169	-	-	301
Total	132	169	-	-	301

Note 13E: Liquidity Risk

The AEC's financial liabilities are payables. The exposure to liquidity risk is based on the notion that the AEC will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the AEC and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

Maturities for non-derivative financial liabilities 2010

	within 1 year \$'000	Total \$'000
Trade Creditors	7,240	7,240
Total	7,240	7,240

Maturities for non-derivative financial liabilities 2009

	within 1 year \$'000	Total \$'000
Trade Creditors	5,726	5,726
Total	5,726	5,726

Note 13F: Market Risk

The AEC holds basic financial instruments that do not expose the AEC to certain market risks. The AEC is not exposed to 'Currency risk' or 'Other price risk'.

Notes to the Schedule of Administered Items

Note 14: Income Administered on Behalf of Government

	2010	2009
	\$'000	\$'000
REVENUE		
Non-Taxation Revenue		
Note 14A: Other Revenue		
Electoral fines/penalties	49	221
Candidate deposits	9	6
Other	7	4
Total other revenue	<u>65</u>	<u>231</u>

Note 15: Expenses Administered on Behalf of Government

	2010	2009
	\$'000	\$'000
EXPENSES		
Note 15A: Grants		
Private Sector:		
Election public funding	260	477
Total grants	<u>260</u>	<u>477</u>
Note 15B: Other Expenses		
Refunds – electoral fines/penalties	-	5
Total other expenses	<u>-</u>	<u>5</u>

Note 16: Assets Administered on Behalf of Government

There are no administered assets or liabilities for the AEC.

Note 17: Administered Reconciliation Table

	2010	2009
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	-	-
Plus: Administered income	65	231
Less: Administered expenses	(260)	(482)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriations for administered expense	260	477
Transfers to OPA	(65)	(226)
Closing administered assets less administered liabilities as at 30 June	<u>-</u>	<u>-</u>

Note 18: Administered Contingent Assets and Liabilities**Unquantifiable Administered Contingencies**

There are no administered contingencies, remote or quantifiable, for the AEC.

Note 19: Administered Financial Instruments

There are no administered financial instruments for the AEC.

Note 20: Appropriations**Table A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations**

Particulars	Administered Expenses						Departmental Outputs			Total		
	Outcome 1		Outcome 2		Outcome 3		2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance brought forward from previous period (Appropriation Acts)	-	-	-	-	-	-	-	-	21,087	16,591	21,087	16,591
Appropriation Act:												
Appropriation Act (No. 1 & 3) 2009-2010 as passed	-	-	-	-	-	-	-	-	99,997	92,500	99,997	92,500
FMA Act:												
Repayments to the Commonwealth (FMA Act section 30)	-	-	-	-	-	-	-	-	219	409	219	409
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-	-	-	-	-	-	-	3,979	3,620	3,979	3,620
Relevant agency receipts (FMA Act s.31)	-	-	-	-	-	-	-	-	17,356	16,697	17,356	16,697
Total appropriation available for payments	-	-	-	-	-	-	-	-	142,638	129,817	142,638	129,817
Cash payments made during the year (GST inclusive)	-	-	-	-	-	-	-	-	123,973	108,730	123,973	108,730
Appropriations credited to special accounts (GST exclusive)	-	-	-	-	-	-	-	-	-	-	-	-
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations and as represented by:									18,665	21,087	18,665	21,087
Cash at bank and on hand	-	-	-	-	-	-	-	-	1,210	1,008	1,210	1,008
Departmental appropriations receivable	-	-	-	-	-	-	-	-	16,173	19,558	16,173	19,558
Net GST payable (to)/from ATO	-	-	-	-	-	-	-	-	1,282	521	1,282	521
Total as at 30 June	-	-	-	-	-	-	-	-	18,665	21,087	18,665	21,087

Note 20: Appropriations (continued)**Table B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations**

Particulars	Operating						Non – operating			Total	
	Outcome 1		Outcome 2		Outcome 3		Equity				
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000
Balance brought forward from previous period (Appropriation Acts)	-	-	-	-	-	-	6,382	6,261	6,382	6,261	6,261
Appropriation Act:											
Appropriation Act (No. 2 & 4) 2009–10, as passed	-	-	-	-	-	-	1,916	2,937	1,916	2,937	2,937
FMA Act:											
Total appropriations available for payments	-	-	-	-	-	-	8,298	9,198	8,298	9,198	9,198
Cash payments made during the year (GST inclusive)	-	-	-	-	-	-	1,345	2,816	1,345	2,816	2,816
Balance of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations and as represented by:	-	-	-	-	-	-	6,953	6,382	6,953	6,382	6,382
Cash at bank and on hand	-	-	-	-	-	-	-	-	-	-	-
*Departmental appropriation receivable	-	-	-	-	-	-	6,953	6,382	6,953	6,382	6,382
Total as at 30 June	-	-	-	-	-	-	6,953	6,382	6,953	6,382	6,382

Note 20: Appropriations (continued)**Table C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund – Special Appropriations (Unlimited Amount)**

Particulars of legislation providing appropriation (including purpose) and whether the Special Appropriation is administered or departmental	2010	2009	2010	2009	2010	2009
	Outcome 1 \$'000	Outcome 1 \$'000	Outcome 2 \$'000	Outcome 2 \$'000	TOTAL \$'000	TOTAL \$'000
Commonwealth Electoral Act 1918 – Electoral Roll Review (departmental)						
Cash payments made during the year	9,000	9,000	-	-	9,000	9,000
Appropriations credited to Special Accounts	-	-	-	-	-	-
Repayments to the Commonwealth (net) (FMA Act section 30)	-	-	-	-	-	-
Total charged to appropriation	9,000	9,000	-	-	9,000	9,000
<i>Estimated actual</i>	-	-	-	-	-	-
Commonwealth Electoral Act 1918 – Election Public Funding (administered)						
Cash payments made during the year	-	-	260	477	260	477
Appropriations credited to Special Accounts	-	-	-	-	-	-
Refunds credited (net) (FMA Act section 30)	-	-	-	-	-	-
Total charged to appropriation	-	-	260	477	260	477
<i>Estimated actual</i>	-	-	-	-	-	-

Table D: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund – Special Appropriations (Refund Provisions)

Particulars of legislation providing appropriation including purpose	2010	2009
	\$'000	\$'000
<i>Financial Management and Accountability Act 1997 – s.28 Refund of Receipts</i>		
Cash payments made during the year	-	5
Appropriations credited to Special Accounts	-	-
Repayments to the Commonwealth (FMA Act section 30)	-	-
Total charged to Special Appropriation	-	5
<i>Budget estimate (list each other legislative provision that refunds have been made under)</i>	-	-
<i>Budget estimate (FMA Act section 28)</i>	-	-

Note 21: Special Accounts

Other Trust Monies Account (Special Public Money)	2010	2009
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; s.21</i>		
Establishing Instrument: <i>Financial Management and Accountability Act 1997; s.20</i>		
<i>Purpose: for the expenditure of monies temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth, for example, candidates deposits.</i>		
Balance carried from previous period	-	3
Appropriation for reporting period	-	-
Costs recovered	-	-
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-
Realised investments	-	-
Other receipts	16	9
Total credits	16	12
Repayments	2	6
Total debits	2	6
Balance carried to next period and represented by:	14	6
Cash – transferred to the Official Public Account	(14)	(6)
Cash – held by the agency	-	-
Total balance carried to the next period	-	-

The *Services for other Governments and Non-agency Bodies* Special Account was closed during the financial year. It had not been reported previously as there had not been any transactions through the account.

Note 22: Compensation and Debt Relief

	2010	2009
	\$	\$
Departmental		
No payments were made during the reporting period. (2009: No payments made)	-	-
	<u>-</u>	<u>-</u>
Administered		
No 'Act of Grace' expenses were incurred during the reporting period (2009: No expenses).	-	-
	<u>-</u>	<u>-</u>
The estimated amount outstanding in relation to payments being made on a periodic basis as at 30 June 2010 was nil (Nil at 30 June 2009).		
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2009: No waivers).		
No ex-gratia payments were provided for during the reporting period. (2009: No payments)		

Note 23: Assets Held in Trust**Monetary assets**

Financial assets held in trust were also disclosed in Note 21 in the table titled Other Trust Monies Account (Special Public Money)

Legal Authority – *Financial Management and Accountability Act 1997; s.20*

Purpose - for the expenditure of monies temporarily held in trust or otherwise for the benefit of a person other than the Commonwealth, for example, candidates deposits.

	2010	2009
	\$'000	\$'000
Other Trust Monies – Monetary asset		
Total amount held at the beginning of the reporting period	-	3
Receipts	16	9
Payments:		
Title passed to Australian Government	(14)	(6)
Returned to original owner	(2)	(6)
Total amount held at the end of the reporting period	<u>-</u>	<u>-</u>

The values above were estimated fair values at the time when acquired.

Note 24: Reporting of Outcomes

In determining the full cost of outcomes, the AEC charges direct costs to outcomes and allocates overheads between outcomes on the basis of full time equivalent staff.

The AEC's resourcing consumption varies considerably from year to year and between outcomes depending on the phase of the electoral cycle.

Note 24A: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Outcome 3		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses								
Administered	-	-	260	482	-	-	260	482
Departmental	69,238	66,062	42,298	28,343	16,197	17,736	127,733	112,141
Total	69,238	66,062	42,558	28,825	16,197	17,736	127,993	112,623
Income from non-government sector								
Administered	-	-	-	-	-	-	-	-
Departmental	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Other own-source income								
Administered	-	-	(65)	(231)	-	-	(65)	(231)
Departmental	(10,848)	(10,470)	(3,439)	(4,357)	(13)	(62)	(14,300)	(14,889)
Total	(10,848)	(10,470)	(3,504)	(4,588)	(13)	(62)	(14,365)	(15,120)
Net cost/(contribution) of outcome delivery	58,390	55,592	39,054	24,237	16,184	17,674	113,628	97,503

All outcomes are described in Note 1.1.

Note 24: Reporting of Outcomes (continued)**Note 24B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcomes**

	Outcome 1		Outcome 2		Outcome 3		Not attributed*		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Departmental Expenses:										
Employees	35,946	37,786	21,808	15,649	9,169	10,743			66,923	64,178
Suppliers	28,989	25,415	18,031	11,424	6,108	6,188			53,128	43,027
Depreciation and amortisation	3,963	2,706	2,264	1,201	848	761			7,075	4,668
Other	340	155	195	69	72	44			607	268
Total	69,238	66,062	42,298	28,343	16,197	17,736			127,733	112,141
Departmental Income:										
Income from government	59,659	58,896	34,129	26,130	15,288	16,551			109,076	101,577
Sale of goods and services	10,803	10,462	3,414	4,354	4	60			14,221	14,876
Other non-taxation revenues	-	8	-	3	-	2			-	13
Total	70,462	69,366	37,543	30,487	15,292	16,613			123,297	116,466
Departmental Assets:										
Financial Assets	-	-	-	-	-	-	27,143	30,372	27,143	30,372
Non-Financial Assets	-	-	-	-	-	-	28,759	26,076	28,759	26,076
Total	-	-	-	-	-	-	55,902	56,448	55,902	56,448
Departmental Liabilities:										
Payables	-	-	-	-	-	-	10,969	9,028	10,969	9,028
Provisions	-	-	-	-	-	-	22,068	22,143	22,068	22,143
Total	-	-	-	-	-	-	33,037	31,171	33,037	31,171

* Assets and liabilities that can not be reliably attributed to outcomes.

All outcomes are described in Note 1.1.

Note 24: Reporting of Outcomes (continued)**Note 24C: Major Classes of Administered Income, Expenses, Assets and Liabilities by Outcomes**

	Outcome 1		Outcome 2		Outcome 3		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses								
Grants	-	-	260	477	-	-	260	477
Other	-	-	-	5	-	-	-	5
Total Administered expenses	-	-	260	482	-	-	260	482
Administered income								
Electoral fines/penalties	-	-	49	227	-	-	49	227
Other	-	-	16	4	-	-	16	4
Total Administered income	-	-	65	231	-	-	65	231

All outcomes are described in Note 1.1.