



5

FINANCIAL REPORTING

\$232 million
2015–16 BUDGET

\$155 million
AGENCY ASSETS

\$110 million
AGENCY LIABILITIES

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The AEC's 2015–16 financial results were influenced by election expenditure that occurred in the lead-up to the 2016 federal election held on 2 July. The Australian National Audit Office has issued an unqualified audit opinion for the AEC's 2015–16 financial statements.

The AEC's financial reporting consists of a financial performance summary, together with the financial statements and supporting notes.

The financial performance summary provides a snapshot of the AEC's deficit, surplus, balance sheet and net asset information.

The financial statements consist of the auditor's report, the Electoral Commissioner and Chief Finance Officer statement, and various financial statements and administered schedules. Further information on the financial performance of the AEC is provided in the notes sections.

Financial performance summary

For 2015–16, the AEC's operating deficit was \$25.0 million compared with an operating deficit of \$0.4 million in 2014–15. The 2015–16 result was influenced by election expenditure that occurred in the lead-up to the 2016 federal election.

The statement of financial position as at 30 June 2016 shows total assets of \$154.8 million and total liabilities of \$110.0 million for a net asset position of \$44.8 million. Total assets and liabilities have increased from previous years due to the inclusion of balances in relation to the 2016 federal election.

The Australian National Audit Office has issued an unqualified audit opinion for the AEC's 2015–16 financial statements.

No significant issues of non-compliance in relation to the finance law were reported to the Special Minister of State in 2015–16. This included any failure to comply with the duties of accountable authorities (sections 15–19 of the PGPA Act), significant fraudulent activity and other serious breaches (sections 25–29).

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Certification

Auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Special Minister of State

I have audited the accompanying annual financial statements of the Australian Electoral Commission for the year ended 30 June 2016, which comprise the Statement by Electoral Commissioner and Chief Finance Officer; Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; and Notes to and forming part of the financial statements.

Opinion

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

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Electoral Commission as at 30 June 2016 and its financial performance and cash flows for the year then ended.

Accountable Authority's Responsibility for the Financial Statements

The Electoral Commissioner of the Australian Electoral Commission is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and is also responsible for such internal control as the Electoral Commissioner determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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

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statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, 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 my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office

SIGNED

Serena Buchanan
Executive Director

Delegate of the Auditor-General

Canberra
15 September 2016

Statement by the Electoral Commissioner and Chief Finance Officer

AUSTRALIAN ELECTORAL COMMISSION	
STATEMENT BY ELECTORAL COMMISSIONER AND CHIEF FINANCE OFFICER	
In our opinion, the attached financial statements for the year ended 30 June 2016 comply with subsection 42(2) of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.	
In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian Electoral Commission will be able to pay its debts as and when they fall due.	
SIGNED	SIGNED
Signed..... Tom Rogers Electoral Commissioner 15 September 2016	Signed. Stephen Blackburn Chief Finance Officer 15 September 2016

Primary Financial Statements

Statement of comprehensive income for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	3.1	104 562	73 315	74 751
Suppliers	4.1A	159 515	50 506	51 753
Depreciation and amortisation	2.3A	9 326	9 459	7 995
Finance costs	2.4B	20	39	85
Write-down and impairment of assets	4.1B	(4)	111	–
Losses from asset disposals	2.3A	23	184	–
Total expenses		273 442	133 614	134 584
OWN-SOURCE INCOME				
Own-source revenue				
Sale of goods and rendering of services	1.2A	15 224	19 224	10 841
Other revenue	1.2B	447	480	85
Total own-source revenue		15 671	19 704	10 926
Total own-source income		15 671	19 704	10 926
Net (cost of) services		(257 771)	(113 910)	(123 658)
Revenue from Government	1.1A	232 757	113 528	115 663
(Deficit) on continuing operations		(25 014)	(382)	(16 995)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		1 885	2 148	–
Total other comprehensive income		1 885	2 148	–
Total comprehensive (loss)/income	1.4	(23 129)	1 766	(16 995)

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

BUDGET VARIANCES COMMENTARY

Statement of Comprehensive Income

The AEC's expenses were higher than budgeted due to costs incurred in 2015–16 in preparation for the federal election on 2 July 2016. The AEC's budget did not include election costs as they were originally budgeted for in the 2016–17 financial year. The AEC's revenue is higher than budgeted due to increased funding through an Advance to the Finance Minister to fund election expenditure. The AEC incurred a higher than budgeted loss due to funding some of the increased expenses through a release of appropriations that had previously been quarantined and are not reported as revenue in the period.

Statement of financial position as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	17 932	891	1 518
Receivables for goods and services	2.1A	2 116	2 312	1 518
Appropriations receivable	2.2A	74 030	55 820	47 050
Other receivables	2.2B	4 417	493	632
Total financial assets		98 495	59 509	49 200
Non-financial assets				
Land and buildings	2.3A	10 359	11 524	12 375
Property, plant and equipment	2.3A	7 696	5 780	7 210
Computer software	2.3A	14 402	13 836	18 353
Intellectual property	2.3A	2 161	–	–
Inventories	2.3B	14 599	3 055	1 898
Lease incentive		38	80	–
Other non-financial assets	2.3C	7 077	1 988	1 689
Total non-financial assets		56 332	36 263	41 525
Total assets		154 827	95 772	90 725
LIABILITIES				
Payables				
Suppliers	2.1A	72 637	8 085	7 930
Other payables	2.4A	11 249	7 947	5 124
Total payables		83 886	16 032	13 054
Provisions				
Employee provisions	3.2	24 611	21 257	25 478
Other provisions	2.4B	1 525	1 561	1 577
Total provisions		26 136	22 818	27 055
Total liabilities		110 022	38 850	40 109
Net assets		44 805	56 922	50 616
EQUITY				
Parent Entity Interest				
Contributed equity		54 202	43 190	54 202
Asset revaluation surplus		22 985	21 100	18 952
Retained earnings		(32 382)	(7 368)	(22 538)
Total equity		44 805	56 922	50 616

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

BUDGET VARIANCES COMMENTARY

Statement of Financial Position

Increased financial assets offset the increase in payables and provisions. The increase in payables and provisions relates to expenditure incurred in late 2015–16 in preparation for the federal election on 2 July 2016. The increase in inventory and other non-financial assets relates to items on hand and prepayments made in preparation for the election.

Statement of changes in equity for the period ended 30 June 2016

	2016 \$'000	2015 \$'000	Original Budget \$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	43 190	35 890	43 190
Adjusted opening balance	43 190	35 890	43 190
Transactions with owners			
Contributions by owners			
Departmental Capital Budget	11 012	7 300	11 012
Total transactions with owners	11 012	7 300	11 012
Closing balance as at 30 June	54 202	43 190	54 202
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(7 368)	(6 986)	(14 543)
Adjusted opening balance	(7 368)	(6 986)	(14 543)
Comprehensive income			
(Deficit) for the period	(25 014)	(382)	(7 995)
Total comprehensive income	(25 014)	(382)	(7 995)
Closing balance as at 30 June	(32 382)	(7 368)	(22 538)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	21 100	18 952	18 952
Adjusted opening balance	21 100	18 952	18 952
Comprehensive income			
Other comprehensive income	1 885	2 148	–
Total comprehensive income	1 885	2 148	–
Closing balance as at 30 June	22 985	21 100	18 952
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	56 922	47 856	47 599
Adjusted opening balance	56 922	47 856	47 599
Comprehensive income			
(Deficit) for the period	(25 014)	(382)	(7 995)
Other comprehensive income	1 885	2 148	–
Total comprehensive income	(23 129)	1 766	(7 995)
Transactions with owners			
Contributions by owners			
Departmental Capital Budget	11 012	7 300	11 012
Total transactions with owners	11 012	7 300	11 012
Closing balance as at 30 June	44 805	56 922	50 616

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

ACCOUNTING POLICY

Equity Injections

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

BUDGET VARIANCES COMMENTARY

Statement of Changes in Equity

The AEC incurred a higher than anticipated deficit in 2015–16, resulting in a lower than budgeted equity position.

Cash flow statement for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Cash flow statement \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		201 225	106 646	115 663
Sales of goods and rendering of services		18 000	22 309	10 841
Net GST received		4 547	3 237	–
Total cash received		223 772	132 192	126 504
Cash used				
Employees		95 600	73 701	74 301
Suppliers		125 925	59 075	51 762
Total cash used		221 525	132 776	126 063
Net cash from/(used by) operating activities	1.5	2 247	(584)	441
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		4 227	1 111	11 453
Purchase of intangibles		5 313	3 136	–
Total cash used		9 540	4 247	11 453
Net cash (used by) investing activities		(9 540)	(4 247)	(11 453)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		3 989	3	11 012
Departmental Capital Budget		20 345	4 201	–
Total cash received		24 334	4 204	11 012
Net cash from financing activities		24 334	4 204	11 012
Net increase/(decrease) in cash held		17 041	(627)	–
Cash and cash equivalents at the beginning of the reporting period		891	1 518	1 518
Cash and cash equivalents at the end of the reporting period	2.1A	17 932	891	1 518

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

BUDGET VARIANCES COMMENTARY

Cash Flow Statement

The AEC's operating cash used was higher than budgeted due to costs incurred in 2015–16 in preparation for the federal election on 2 July 2016. The AEC's budget did not include election costs as they were originally budgeted for in the 2016–17 financial year. The AEC's operating cash received is higher than budgeted due to increased funding through an Advance to the Finance Minister to fund election payments. The financing cash received is higher than budgeted due to the drawing down of prior year capital appropriations. The increased cash balance reflects the increase in payables and provisions.

Administered schedules

Administered Schedule of Comprehensive Income for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget \$'000
NET COST OF SERVICES				
EXPENSES				
Other expenses	5.1A	392	53	–
Total expenses		392	53	–
INCOME				
Revenue				
Non-taxation revenue				
Electoral fines/penalties	5.2A	369	960	33
Candidate deposits	5.2A	25	7	–
Other	5.2A	10		
Total non-taxation revenue		404	967	33
Total revenue		404	967	33
Net contribution by services		12	914	33
Surplus		12	914	33

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

BUDGET VARIANCES COMMENTARY

Schedule of Comprehensive Income

The AEC's administered expenditure was higher than budgeted due to candidate funding of by-elections not anticipated in 2015–16. The AEC's administered revenue was higher than anticipated due to electoral fines and penalties for by-elections not anticipated in 2015–16.

Administered Schedule of Assets and Liabilities as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	5.3A	14	–	–
Total financial assets		14	–	–
Total assets administered on behalf of Government		14	–	–
LIABILITIES				
Payables				
Suppliers	5.3B	14	–	–
Total payables		14	–	–
Total liabilities administered on behalf of Government		14	–	–
Net assets		–	–	–

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

Administered Reconciliation Schedule

	2016 \$'000	2015 \$'000
Net cost of/(contribution by) services:		
Income	404	967
Expenses	(392)	(53)
Transfers (to)/from Australian Government:		
Appropriation transfers to OPA		
Transfers (to) OPA	(12)	(914)
Closing assets less liabilities as at 30 June	–	–

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

ACCOUNTING POLICY

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the entity for use by the Government rather than the AEC is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. 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 entity on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Administered Cash Flow Statement for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
OPERATING ACTIVITIES			
Cash received			
Electoral fines/penalties		369	960
Candidate deposits		25	7
Other		10	–
Total cash received		404	967
Cash used			
Political Parties/Candidates		344	–
Refund of Electoral fines/penalties		34	53
Total cash used		378	53
Net cash flows from operating activities	5.5	26	914
Cash from Official Public Account			
Appropriations		392	53
Total cash from Official Public Account		392	53
Cash to Official Public Account			
Appropriations		(404)	(967)
Total cash to Official Public Account		(404)	(967)
Cash and cash equivalents at the end of the reporting period		14	–

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

Overview

Objectives of the Australian Electoral Commission

The Australian Electoral Commission (AEC) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of the AEC is to conduct elections and referendums, maintain the electoral roll, provide electoral information, education programs and related services, and manage funding and disclosure in relation to political parties.

The AEC is structured to meet the following outcome:

Outcome 1: Maintain an impartial and independent electoral system for eligible voters through active electoral roll management, efficient delivery of polling services and targeted education and public awareness programs.

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

The AEC's activities contributing toward this outcome 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.

The AEC conducts the following administered activities on behalf of the Government:

- payment of Election Public Funding; and
- collection of Electoral Fees and Fines.

Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015; 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 in accordance with the historical cost convention, except for certain assets and liabilities 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.

The 2016 federal election was held on the 2 July 2016. Costs related to this incurred in 2015–16 are included in the Statement of Financial Position and Statement of Comprehensive Income. Expenses incurred but not yet paid are included in Accrued Expenses.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The AEC has early-adopted ASB 2015–7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. There was no financial impact on the AEC although early adoption has changed the presentation of the AEC's Financial Statements.

Future Australian Accounting Standard Requirements

The following new/revised/amending standards and/or interpretations were issued by the Australian Accounting Standards Board prior to the signing of the statement by the accountable authority and Chief Finance Officer, which are expected to have a material impact on the entity's financial statements for future reporting period(s):

Standard/Interpretation	Application date for the entity ¹	Nature of impending change/s in accounting policy and likely impact on initial application
AASB 2015–6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]	1 July 2016	The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. This Standard also makes related amendments to AASB 10 Consolidated Financial Statements and AASB 1049 Whole of Government and General Government Sector Financial Reporting, and an editorial correction to AASB 124. Likely impact: Moderate. At this stage the value of the impact cannot be measured.
AASB 16 Leases	1 Jan 2019	AASB 16 brings all leases onto the balance sheet of lessees, thereby increasing the transparency surrounding such arrangements and making the lessee's balance sheet better reflect the economics of its transactions. Likely Impact: High. At this stage the value of the impact cannot be measured.

1. The entity's expected initial application date is when the accounting standard becomes operative at the beginning of the entity's reporting period.

All other new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to future reporting period(s) are not expected to have a future material impact on the entity's financial statements.

Accounting Judgments and Estimates

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

Taxation

The AEC is exempt from paying Income Tax. The AEC is required to pay Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Reporting of Administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules 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.

Events After the Reporting Period

Departmental

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

Administered

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

Notes to the Financial Statements

1. Funding

This section identifies the AEC's funding structure and the funds available to the AEC.

1.1: Revenue from Government

ACCOUNTING POLICY

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the entity 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.

1.1A: Revenue From Government

	Notes	2016 \$'000	2015 \$'000
Departmental appropriation – operating ¹	1.1B	122 520	104 528
Departmental appropriation – Advance to Finance Minister	1.1B	101 237	–
Departmental Special Appropriations	1.1D	9 000	9 000
Total Revenue from Government		232 757	113 528

1. Prior year appropriation of \$0.799 million is included in departmental appropriation – operating in Note 1.1A but excluded in Note 1.1B.

1.1B: Annual Appropriations ('Recoverable GST exclusive')

	2016 \$'000	2015 \$'000
Ordinary annual services		
Annual appropriation		
Operating		
Operating ¹	121 721	104 528
Advance to the Finance Minister	101 237	–
Section 74 receipts of PGPA Act	16 749	20 597
Total operating appropriation	239 707	125 125
Capital Budget	11 012	7 300
Total	250 719	132 425
Appropriation applied		
Operating	(208 974)	(118 243)
Capital		
Departmental Capital Budget	(20 345)	(4 201)
Equity injections	(3 989)	(3)
Total capital appropriation applied	(24 334)	(4 204)
Total appropriation applied	(233 308)	(122 447)
Variance²	17 411	9 978

- Prior year appropriation of \$0.799 million is included in departmental appropriation – operating in Note 1.1A but excluded in Note 1.1B.
- During the financial year the AEC agreed with the Department of Finance that all available cash, including amounts that were previously quarantined, would be used to fund election expenses in 2015–16. However, given the timing of the election event and the large volume of expenses that were incurred late in the financial year and paid in 2016–17, the AEC's appropriation receivable increased during the financial year. The variance of \$17.4 million outlined in Table 1.1B represents the movement in appropriation receivable from \$56.6 million in 2015 to \$74.0 million in 2016 (refer Table 1.1C). The AEC received operating appropriation of \$239.7 million for the current year of which only \$209.0 million was applied. A further \$24.3 million was applied to fund election activities against a current year capital appropriation of \$11.0 million and prior year capital appropriations.

1.1C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2016 \$'000	2015 \$'000
DEPARTMENTAL		
Cash and cash equivalents		
Appropriation Act 1 – 2015–16 – Cash ¹	17 932	–
Appropriation Act 1 – 2014–15 – Cash	–	891
Total Cash and cash equivalents	17 932	891
Appropriations Receivable		
Appropriation Act 1 – 2015–16	74 030	–
Appropriation Act 3 – 2015–16	–	–
Appropriation Act 1 – 2015–16 – Departmental Capital Budget	–	–
Appropriation Act 3 – 2015–16 – Departmental Capital Budget	–	–
Appropriation Act 1 – 2014–15	–	15 011
Appropriation Act 3 – 2014–15	–	992
Appropriation Act 1 – 2014–15 – Departmental Capital Budget	–	6 010
Appropriation Act 3 – 2014–15 – Departmental Capital Budget	–	1 290
Appropriation Act 1 – 2013–14	–	26 495
Appropriation Act 1 – 2013–14 – Departmental Capital Budget	–	2 033
Appropriation Act 2 – Non-Operating – Equity Injection – 2013–14	–	3 989
Appropriation Act 1 – 2013–14	–	323
Appropriation Act 1 – 2012–13	–	476
Total Appropriations Receivable	74 030	56 619
Total departmental	91 962	57 510

1. The AEC's cash balance at 30 June 2016 is higher than normal due to amounts being drawn down close to the end of the financial year to fund election payments early in the 2016–17 financial year.

1.1D: Special Appropriations ('Recoverable GST exclusive')

Authority	Appropriation applied	
	2016 \$'000	2015 \$'000
Commonwealth Electoral Act 1918 (Departmental)	9 000	9 000
Commonwealth Electoral Act 1918 (Administered)	357	–
Public Governance, Performance and Accountability Act 2013 – s77 Repayment of Receipts	34	27
Total special appropriations applied	9 391	9 027

No entities spent money from the Consolidated Revenue Fund on behalf of the AEC.

1.2: Own-Source Revenue

1.2A: Sale of Goods and Rendering of Services

	2016 \$'000	2015 \$'000
Own-Source Revenue		
Sale of goods	10 501	12 775
Rendering of services	4 723	6 449
Total sale of goods and rendering of services	15 224	19 224

ACCOUNTING POLICY

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer; and
- the entity retains no managerial involvement or effective control over the goods.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date compare 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 the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

1.2B: Other Revenue

	2016 \$'000	2015 \$'000
Other	278	316
Resources received free of charge		
Remuneration of auditors	85	88
Other	84	76
Total other revenue	447	480

The ANAO provides financial statement audit services to the AEC. The ANAO does not provide other services.

ACCOUNTING POLICY

Resources Received Free of Charge

Resources received free of charge are recognised as revenue 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. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.3: Special Accounts

	2016 \$'000	2015 \$'000
Services for Other Entities and Trust Monies¹		
Balance brought forward from previous period	1	1 504
Increases	2 295	–
Total increases	2 295	1 504
Available for payments	2 296	1 504
Decreases		
Departmental	28	1 503
Total departmental	28	1 503
Total decreases	28	1 503
Total balance carried to the next period	2 268	1

- Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80.
Establishing Instrument: *Financial Management and Accountability Act 1997* section 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, candidate deposits.

1.4: Net Cash Appropriation Arrangements

	2016 \$'000	2015 \$'000
Total comprehensive (loss)/income/less depreciation/amortisation expenses previously funded through revenue appropriations	(13 803)	11 225
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(9 326)	(9 459)
Total comprehensive (loss)/income – as per the Statement of Comprehensive Income	(23 129)	1 766

1.5: Cash Flow Reconciliation

	2016 \$'000	2015 \$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position and Cash Flow Statement		
Cash and cash equivalents as per		
Cash Flow Statement	17 932	891
Statement of Financial Position	17 932	891
Discrepancy	-	-
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net cost of services	(257 771)	(113 910)
Revenue from Government	232 757	113 528
Adjustments for non-cash items		
Depreciation/amortisation	9 326	9 459
Net write down of makegood liability	20	39
Loss on disposal of assets	23	184
Other gain	(799)	-
Movements in assets and liabilities		
Assets		
Decrease in lease incentive asset	42	42
(Increase)/decrease in net receivables	(35 267)	(7 317)
(Increase) in inventories	(11 544)	(1 157)
(Increase) in prepayments	(5 089)	(421)
Liabilities		
Increase/(decrease) in employee provisions	3 354	(996)
Increase/(decrease) in supplier payables	64 552	(215)
Increase in other payable	2 679	298
(Decrease) in other provisions	(36)	(118)
Net cash from/(used by) operating activities	2 247	(584)

2. Departmental Financial Position and Managing Uncertainties

This section analyses the AEC's assets used to conduct its operations and the operating liabilities incurred as a result, and how the AEC manages financial risks related to these and its operating environment. Employee-related information is disclosed in the People and Relationships section.

2.1: Financial Instruments

2.1A: Categories of Financial Instruments

	2016 \$'000	2015 \$'000
FINANCIAL ASSETS		
Loans and receivables		
Cash on hand or on deposit	17 932	891
Receivables		
Receivables for goods and services	2 118	2 319
Less impairment allowance	2	7
Total receivables	2 116	2 312
Total loans and receivables	20 048	3 203
Total financial assets	20 048	3 203
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost		
Supplier payables	72 637	8 085
Total financial liabilities measured at amortised cost	72 637	8 085
Total financial liabilities	72 637	8 085

Receivables (net) are expected to be recovered within 12 months (2015: within 12 months).

Credit terms for goods and services were within 30 days (2015: 30 days). Settlement of suppliers payable is usually made within 30 days.

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

Decrease in Impairment allowance for the period of \$5 000 (2015: \$6 000 increase) has been recognised in relation to loans and receivables and included in the net cost of service. No amounts have been written off or recovered/reversed.

ACCOUNTING POLICY

Financial assets

The entity classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and 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.

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a. cash on hand;
- b. demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- c. cash in special accounts.

Effective Interest Method

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost — if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

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

2.1B: Credit Risk

The AEC's maximum exposure to credit risk at the reporting date is limited to the balance of total financial assets as disclosed in note 2.1A \$20.9 million (2015: \$3.2 million). The AEC has no collateral held as security and other credit enhancements in respect of the amounts disclosed. Amounts past due but not impaired are limited to the balances below.

Financial Assets that are not past due nor impaired are considered to be high quality and pose a low credit risk to the AEC. The AEC is not carrying any amounts that would otherwise be past due or impaired but whose terms have been renegotiated.

Ageing of loans and receivables that were past due but not impaired

	2016 \$'000	2015 \$'000
0 to 30 days	–	34
31 to 60 days	49	12
61 to 90 days	–	–
90+ days	2	1
Total	51	47

2.1C: Liquidity Risk

The AEC's financial liabilities are supplier payables which will mature within 1 year. The balance of this liability is disclosed in note 2.1A \$72.6 million (2015: \$8.1 million). 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.

The AEC had no derivative financial liabilities in either 2016 or 2015.

2.1D: 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', 'Other Price Risk' or 'Interest Rate Risk'.

2.2: Other Financial Assets

2.2A: Appropriation Receivable

	2016 \$'000	2015 \$'000
Appropriation receivables	74 030	55 820
Total Appropriation receivable	74 030	55 820

ACCOUNTING POLICY

Refer to Note 1.1.

2.2B: Other Receivables

	2016 \$'000	2015 \$'000
Statutory receivables	4 417	493
Total other receivables	4 417	493

Other Receivables are not past due or impaired and are expected to be recovered within 12 months (2015: within 12 months).

ACCOUNTING POLICY

Statutory receivables are amounts owed to the AEC from the Australian Taxation Office in relation to the refund of GST collected.

2.3: Non-Financial Assets

2.3A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2016

	Leasehold Improvements \$'000	Plant & Equipment \$'000	Computer Software ¹ \$'000	Intellectual Property \$'000	Total \$'000
As at 1 July 2015					
Gross book value	12 078	5 780	52 493	–	70 351
Accumulated depreciation, amortisation and impairment	(554)	–	(38 657)	–	(39 211)
Total as at 1 July 2015	11 524	5 780	13 836	–	31 140
Additions					
Purchase	699	3 528	4 437	2 304	10 968
Revaluations and impairments recognised in other comprehensive income					
	657	1 202	–	–	1 859
Depreciation and amortisation	(2 514)	(2 810)	(3 859)	(143)	(9 326)
Disposals	(7)	(4)	(12)	–	(23)
Total as at 30 June 2016	10 359	7 696	14 402	2 161	34 618
Total as at 30 June 2016 represented by					
Gross book value	10 994	7 696	56 675	2 304	77 669
Accumulated depreciation, amortisation and impairment	(635)	–	(42 273)	(143)	(43 051)
Total as at 30 June 2016	10 359	7 696	14 402	2 161	34 618

1. The carrying amount of computer software included \$3 742 771 of purchased software and \$10 658 466 of internally generated software.

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles for 2015

	Leasehold Improvements \$'000	Plant & Equipment \$'000	Computer Software ¹ \$'000	Intellectual Property \$'000	Total \$'000
As at 1 July 2014					
Gross book value	12 529	7 227	49 257	–	69 013
Accumulated depreciation, amortisation and impairment	(467)	–	(34 844)	–	(35 311)
Total as at 1 July 2014	12 062	7 227	14 413	–	33 702
Additions					
Purchase	1 199	472	1 853	–	3 524
Internally developed	–	–	1 383	–	1 383
Revaluations and impairments recognised in other comprehensive income					
	1 472	701	–	–	2 173
Revaluations recognised in the net cost of services					
	–	–	–	–	–
Depreciation and amortisation	(3 145)	(2 501)	(3 813)	–	(9 459)
Disposals	(64)	(119)	–	–	(183)
Total as at 30 June 2015	11 524	5 780	13 836	–	31 140
Total as at 30 June 2015 represented by					
Gross book value	12 078	5 780	52 493	–	70 351
Accumulated depreciation, amortisation and impairment	(554)	–	(38 657)	–	(39 211)
Total as at 30 June 2015	11 524	5 780	13 836	–	31 140

1. The carrying amount of computer software included \$3 742 771 of purchased software and \$10 658 466 of internally generated software.

No indicators of impairment were found for property, plant and equipment and intangibles (2015: nil).

No property, plant and equipment and intangibles are expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated in this note. On 30 June 2016, an independent valuer conducted the revaluations.

A revaluation increment of \$656 757 for leasehold improvements (2015: \$1 472 176) was credited to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position. There was no revaluation increment for provision for restoration (2015: nil). An increment of \$1 202 475 for property, plant and equipment (2015: \$701 127) was credited to the asset revaluation surplus and included in the equity section of the Statement of Financial Position.

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

At 30 June 2016 there were no significant contractual commitments for the acquisition of property, plant, equipment and intangible assets.

Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Fair value measurements at the end of the reporting period^{1,2}

	2016 \$'000	2015 \$'000	Category (Level 1, 2 or 3) ^{4,5,6}	
Non-financial assets³				
Leasehold improvements	10 359	11 524	Level 3	Cost approach valuation technique used and unexpired lease term, ABS indices and market prices used for inputs. Sensitivity — the significant unobservable inputs used in fair value measurement of the AEC's Leasehold Improvements are useful lives. Useful lives for leasehold improvements are based on the unexpired period of the current leases without any allowance for any options that may be available. Significant increase (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.
Property, plant and equipment – Other	32	38	Level 2	Market approach and cost approach valuation technique used and comparable sales, useful life, ABS indices and market prices used as inputs.
Property, plant and equipment	7 664	5 742	Level 3	Cost approach valuation technique used and useful life, ABS indices and market prices used as inputs. Sensitivity — the significant unobservable inputs used in the fair value measurement of the AEC's Property, Plant and Equipment are useful lives. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.

1. There are no non-recurring fair value measurements.
2. There are no changes in valuation techniques.
3. Fair value measurements — highest and best use differs from current use for non-financial assets. The highest and best use of all non-financial assets are the same as their current use.
4. For recurring and non-recurring Level 3 fair value measurements. The AEC procured valuation services from Rodney Hyman Asset Services Pty Ltd (RHAS) and relied on valuation models provided by RHAS.
5. The remaining assets and liabilities reported by the AEC are not measured at fair value in the Statement of Financial Position.
6. There was no transfer between levels of the fair value hierarchy during the 2015–16 financial year (2014–15: Nil).

Reconciliation for Recurring Level 3 Fair Value Measurements

In the 2015–16 year, the fair value of leasehold improvements and plant and equipment, increased by \$656 757 and \$1 202 475, respectively due to the asset being held longer. These increments were taken to the asset revaluation reserve.

ACCOUNTING POLICY

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, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2 000, which are expensed in the year of acquisition (other than 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 'make good' 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 the AEC's leasehold improvements with a corresponding provision for restoration recognised.

Revaluations

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

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 reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed 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 property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the entity, 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:

	2016	2015
Leasehold improvements	Lesser of lease term/useful life	Lesser of lease term/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 2016. 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 of disposal 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 entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The entity's intangibles comprise internally developed software, purchased software and intellectual property for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software are 1 to 10 years (2015: 1 to 10 years) and the useful lives of the entity's intellectual property are 0 to 4 years (2015: no intellectual property was held by the entity).

All intangible assets were assessed for indications of impairment as at 30 June 2016.

Fair Value

The AEC tests the valuation model at least once every 12 months. The model developed is in compliance with AASB 13. The valuation utilises Australian Producer Price Indexes 6427 Table 12, 'Output of the manufacturing industries, division, subdivision, group and class index numbers' produced by the Australian Bureau of Statistics. The assets in the valuation schedule have been categorised and indexed utilising the industry index to which they most closely align. For example, IT assets have been indexed utilising Index Numbers 242 (computer and electronic equipment manufacturing), while furniture assets have been indexed utilising Index Numbers 251 (furniture manufacturing).

The significant unobservable inputs used in the fair value measurement of the AEC's Leasehold Improvement are useful lives and the abovementioned Australian Producer Price Indexes. Useful lives for leasehold improvements are based on the unexpired period of the current leases without any allowance for any options that may be available. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement. The significant unobservable inputs used in the fair value measurement of the AEC's Property, Plant and Equipment are useful lives.

2.3B: Inventories

	2016 \$'000	2015 \$'000
Inventories held for distribution	14 599	3 055
Total inventories	14 599	3 055

During 2016, \$2 638 of distribution was recognised as an expense (2015: nil).

No items of inventory were recognised at fair value less cost to sell.

All inventories are expected to be distributed in the next 12 months.

ACCOUNTING POLICY

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

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- a. raw materials and stores — purchase cost on a first-in-first-out basis; and
- b. finished goods and work-in-progress — cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

2.3C: Other Non-Financial Assets

	2016 \$'000	2015 \$'000
Prepayments	7 077	1 988
Total other non-financial assets	7 077	1 988
Other non-financial assets expected to be recovered		
No more than 12 months	7 027	1 965
More than 12 months	50	23
Total other non-financial assets	7 077	1 988

No indicators of impairment were found for other non-financial assets (2015: nil).

2.4: Other Payables and Provisions

2.4A: Other Payables

	2016 \$'000	2015 \$'000
Salaries and wages	6 086	2 434
Superannuation	1 060	394
Lease incentives	2 779	3 307
Straight-line leases	524	519
Unearned revenue	800	1 293
Total other payables	11 249	7 947
Other payables to be settled		
No more than 12 months	8 667	4 799
More than 12 months	2 582	3 148
Total other payables	11 249	7 947

ACCOUNTING POLICY

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by the AEC not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme was \$181 357 (2015: \$85 745).

Employee Benefits

Refer to Note 3.2.

Leases

Refer to Note 4.1A.

Unearned Revenue

Unearned revenue relates to payments in advance for services provided to the Department of Foreign Affairs and Trade on a reciprocal basis.

2.4B: Other Provisions

	2016 \$'000	2015 \$'000
Provision for restoration as at 1 July 2015	1 561	1 577
Additional provisions made	(56)	38
Amounts used	–	(119)
Amounts reversed	–	26
Unwinding of discount or change in discount rate	20	39
Total as at 30 June 2016	1 525	1 561
Other provisions expected to be settled		
No more than 12 months	388	281
More than 12 months	1 137	1 280
Total other provisions	1 525	1 561

The AEC currently has 34 (2015: 33) 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.

2.5: Contingent Assets and Liabilities

Contingent Assets

At 30 June 2016, the AEC had no contingent assets (2015: nil).

Contingent Liabilities

At 30 June 2016, the AEC had no contingent liabilities (2015: nil).

Quantifiable Contingencies

At 30 June 2016, the AEC had no quantifiable contingencies (2015: nil).

Unquantifiable Contingencies

At 30 June 2016, the AEC had no unquantifiable contingencies (2015: nil).

Significant Remote Contingencies

The AEC has no significant remote contingencies (2015: nil).

ACCOUNTING POLICY

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the 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.

3. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

3.1: Employee Benefits

	2016 \$'000	2015 \$'000
Wages and salaries	83 154	53 466
Superannuation:		
Defined contribution plans	7 032	3 925
Defined benefit plans	5 892	6 083
Leave and other entitlements	7 100	6 251
Separation and redundancies	1 384	3 590
Total employee benefits	104 562	73 315

3.2: Employee Provisions

	2016 \$'000	2015 \$'000
Leave	24 611	21 257
Total employee provisions	24 611	21 257
Employee provisions expected to be settled		
No more than 12 months	7 189	5 455
More than 12 months	17 422	15 802
Total employee provisions	24 611	21 257

ACCOUNTING POLICY

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for long service leave has been determined by reference to the shorthand method as at 30 June 2016. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Provision is made for separation and redundancy benefit payments. The entity 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

The entity's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution 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 in the Department of Finance's administered schedules and notes.

The entity makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The entity 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.

3.3: Senior Management Personnel Remuneration

	2016 \$	2015 \$
Short-term employee benefits		
Salary	3 883 248	3 324 563
Other	289 634	325 990
Total short-term employee benefits	4 172 882	3 650 553
Post-employment benefits		
Superannuation	871 026	586 921
Total post-employment benefits	871 026	586 921
Other long-term employee benefits		
Annual leave	368 489	305 605
Long service leave	110 422	98 231
Total other long-term employee benefits	478 911	403 836
Total senior management remuneration expenses	5 522 819	4 641 310

The AEC has 21 senior management personnel positions (2015: 19). These positions were filled by 28 senior management staff (2015: 25).

4. Other information

This section includes additional financial information that is either required by AAS or the PGPA FRR or is relevant to assist users in understanding the financial statements.

4.1: Expenses

4.1A: Suppliers

	2016 \$'000	2015 \$'000
Goods and services supplied or rendered		
Consultants	10 335	2 847
Contractors	14 876	4 669
Travel	5 583	4 213
IT services	20 611	9 930
Inventory	383	–
Furniture and venue hire	6 737	161
Property	8 502	3 216
Mail and Freight	13 747	5 042
Advertising	49 695	877
Printing	5 485	723
Legal Costs	1 132	376
Other	6 999	4 716
Total goods and services supplied or rendered	144 085	36 770
Goods supplied	79 641	15 580
Services rendered	64 444	21 190
Total goods and services supplied or rendered	144 085	36 770
Other suppliers		
Operating lease rentals in connection with		
Minimum lease payments	11 916	10 936
Subleases	3 066	726
Lease restoration	(842)	824
Workers compensation expenses	1 290	1 250
Total other suppliers	15 430	13 736
Total suppliers	159 515	50 506

Leasing commitments

The AEC in its capacity as a lessee, leases 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. Commitments are GST inclusive where relevant.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2016 \$'000	2015 \$'000
Within 1 year	14 525	14 470
Between 1 to 5 years	26 150	32 791
More than 5 years	5 529	12 215
Total operating lease commitments	46 204	59 476

ACCOUNTING POLICY

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

4.1B: Write-Down and Impairment of Assets

	2016 \$'000	2015 \$'000
Impairment on financial instruments	(4)	111
Total write-down and impairment of assets	(4)	111

4.2: Reporting of Outcomes

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

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

The AEC has one outcome, so the figures for the Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome appear in the Statement of Comprehensive Income and the Statement of Financial Position.

The AEC has one outcome, so the figures for the Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome appear in Note 5.1 Administered Expenses, Note 5.2 Administered Income and Note 5.3 Administered Assets and Liabilities.

Outcome 1 is described in the Overview. Net costs shown included intra-government costs.

5. Items Administered on Behalf of Government

This section analyses the activities that AEC does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

5.1: Administered – Expenses

5.1A: Other Expenses

	2016 \$'000	2015 \$'000
Refunds – electoral fines/penalties	34	53
Election public funding	358	–
Total other expenses	392	53

5.2: Administered – Income

5.2A: Fees and Fines

	2016 \$'000	2015 \$'000
Revenue		
Non-Taxation Revenue		
Electoral fines/penalties	369	960
Candidate deposits	25	7
Other	10	–
Total fees and fines	404	967

ACCOUNTING POLICY

All administered revenues are revenues relating to ordinary activities performed by the entity on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

Fines are charged for non-voters of federal elections, by-elections and referendums. Administered fee revenue is recognised when received.

Each nomination for the Senate and the House of Representatives must be accompanied by a deposit.

5.3: Administered – Assets and Liabilities

5.3A: Cash and Cash Equivalents

	2016 \$'000	2015 \$'000
Cash on hand or on deposit	14	–
Total cash and cash equivalents	14	–

5.3B: Suppliers

	2016 \$'000	2015 \$'000
Trade creditors and accruals	14	–
Total suppliers	14	–

5.4: Administered – Financial Instruments

	2016 \$'000	2015 \$'000
Financial Assets		
Loans and receivables		
Cash on hand or on deposit	14	–
Total loans and receivables	14	–
Total financial assets	14	–
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	14	–
Total financial liabilities measured at amortised cost	14	–
Total financial liabilities	14	–

Receivables (net) are expected to be recovered within 12 months (2015: within 12 months).

Credit terms for goods and services were within 30 days (2015: 30 days). Settlement of suppliers payable is usually made within 30 days.

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

5.5: Administered – Cash Flow Reconciliation

	2016 \$'000	2015 \$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position and Cash Flow Statement		
Cash and cash equivalents as per		
Administered Cash Flow Statement	14	–
Administered Schedule of Assets and Liabilities	14	–
Discrepancy	–	–
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net(cost of)/contribution by services	12	914
Increase in supplier payables	14	–
Net cash from/(used by) operating activities	26	914

5.6: Administered – Contingent Assets and Liabilities

There are no administered contingencies, remote or quantifiable, for the AEC (2015: nil).