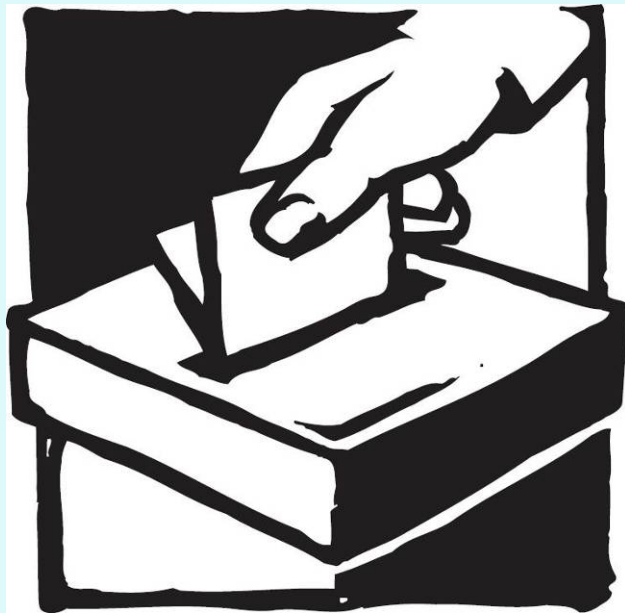


NORTHERN
TERRITORY
ELECTORAL
COMMISSION



ANNUAL REPORT
2005 – 2006

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(i) LETTER OF TRANSMISSION



NORTHERN TERRITORY OF AUSTRALIA

Northern Territory Electoral Commission

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The Hon. Jane Aagaard MLA
Speaker
Northern Territory Legislative Assembly
Parliament House
Darwin NT 0800

Madam Speaker

In accordance with *Section 313* of the *Electoral Act 2004*, I am pleased to provide the third Annual Report of the Northern Territory Electoral Commission.

The report details the performance, key achievements and outlook for the Commission for the year ending 30 June 2006 and has been prepared in accordance with *Section 28* of the *Public Service Employment and Management Act 1993* and *Section 11* of the *Financial Management Act 2003*.

As you are aware, the *Electoral Act* requires you to table the report in the Legislative Assembly within 3 sitting days after its receipt and additional copies have been provided for this purpose.

BILL SHEPHEARD
Electoral Commissioner

20 October 2006

(ii) STATEMENT OF ACCOUNTABLE OFFICER

As the Accountable Officer, I hereby advise that to the best of my knowledge and belief:

- (a) proper records of all transactions affecting the Agency are kept and that employees under my control observe the provisions of the *Financial Management Act*, the *Financial Management Regulations*, and Treasurer's Directions;
- (b) procedures within the Electoral Commission are such that they afford proper internal control and a current description of such procedures is recorded in the Accounting and Property Manual which has been prepared in accordance with the requirements of the *Financial Management Act*;
- (c) there is no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from accounts and records;
- (d) in accordance with section 15 of the *Financial Management Act*, the internal audit capacity available to the Agency is adequate and results of internal audits have been reported to me;
- (e) the financial statement included in the Annual Report has been prepared from proper accounts and records and is in accordance with Treasurer's Directions Part 2 Section 5;
- (f) all Employment Instructions issued by the Commissioner for Public Employment have been satisfied; and
- (g) in respect of my responsibilities pursuant to Section 131 of the *Information Act*, the agency has implemented processes to achieve compliance with the archives and records management provisions as prescribed in Part 9 of the *Information Act*.

BILL SHEPHEARD
ELECTORAL COMMISSIONER

20 October 2006

(iii) ELECTORAL COMMISSIONER'S FOREWORD

The 2005-06 year has been a particularly busy one for the Northern Territory Electoral Commission (NTEC).

The first half of the year was dominated by the 2005 Legislative Assembly General Election and the Alice Springs Town Council Aldermanic By-election.

Although Polling Day for the Legislative Assembly General Election was 18 June 2005, operational tasks associated with this large scale event continued well into the following financial year. These tasks included the finalisation of accounts and payments, management of compliance programs in respect to both financial disclosure and compulsory voting and a number of activities related to reviewing operational performance.

The post poll tasks associated with the General Election were even more challenging on this occasion as the height of activities occurred at financial year changeover. As a consequence, election tasks clashed with both the traditional end-of-the-financial-year operations for 2004-05 and the several significant corporate responsibilities that occur at that time for all agencies.

In early August 2005, the NTEC was also called upon to conduct an aldermanic by-election in Alice Springs. Nominations for this by-election were invited on 19 August 2005 and the poll was declared on 1 October 2005. During this election period, several staff had to be deployed to Alice Springs to undertake key by-election tasks.

The second half of the financial year also didn't offer much respite for the Commission. Several community government elections had been held over until the Legislative Assembly General Election and Alice Springs By-Election polls had been declared and this made the early months of 2006 unusually demanding operationally.

However, despite the election program demands, the NTEC has managed to make some notable progress with several initiatives associated with its other programs.

Arguably, the most significant strategic initiative has been the strengthening of the working relationship between the NTEC and the Australian Electoral Commission (AEC) with the establishment of a joint working party for the delivery of integrated electoral services across the Northern Territory. This joint venture led to the NTEC's becoming more involved in field activities outside of its election program and causing it to reshape its service delivery model, using its significant involvement in elections at the local and community government level as the springboard to generate interest and compliance in respect to its enrolment and education programs.

I now look forward to the coming year to further establish the NTEC as an independent statutory agency and to continue to customise its programs and services to meet the needs of Territory electors.

BILL SHEPHEARD
ELECTORAL COMMISSIONER

1. ABOUT THIS REPORT

1.1 PURPOSE

This Annual Report provides an overview of the agency and its functions, an operational and financial record of its performance over the 2005-06 financial year and an insight into its future directions.

1.2 STRUCTURE

The report contains 3 components, namely:

1. A corporate governance report;
2. An operations report based on the agency's 3 outcomes:
 - An effective electoral roll
 - Effective and lawfully administered elections; and
 - An informed community on electoral matters
3. Financial statements.

1.3 TARGET AUDIENCE

The report has been prepared for tabling in the NT Legislative Assembly.

It has also been compiled to meet the needs of other NTEC stakeholders, including:

- Eligible electors and the general public;
- The Chief Minister as responsible minister;
- Political Parties and interest groups;
- Members of the media;
- Other electoral authorities;
- Students, teachers and researchers; and
- Northern Territory Electoral Commission staff.

2. ABOUT THE COMMISSION

2.1 HISTORY

Before the establishment of the Commission, electoral administration was performed by the Northern Territory Electoral Office, which was a unit of the Department of the Chief Minister.

Under the *Electoral Act 2004*, the Commission assumed all of the responsibilities of the former Northern Territory Electoral Office. In addition, it was also charged with new responsibilities, including the promotion of public awareness of electoral matters, the conduct of electoral research and the administration of party registration and financial disclosure by political parties, political entities, candidates and donors.

2.2 PURPOSE AND FUNCTIONS

The Northern Territory Electoral Commission (NTEC) commenced operations on 15 March 2004, following assent being given to the *Electoral Act 2004*.

The NTEC has the responsibility to provide an independent, professional and accessible electoral service to the people of the Northern Territory, the Northern Territory Legislative Assembly and various client groups that include Municipal Councils, Community Government Councils and other organisations.

The functions of the Electoral Commission are prescribed under Section 309 of the *Electoral Act 2004*, namely:

- To maintain rolls and conduct elections under the Electoral Act;
- To advise the Chief Minister on matters relating to elections;
- To consider, and report to the Chief Minister on matters relating to elections referred to it by the Chief Minister;
- To promote public awareness of matters relating to elections and the Legislative Assembly by conducting education and information programs and in any other way it chooses;
- To provide information and advice on matters relating to elections to the Legislative Assembly, the Executive Council/Committee of the Executive Council, Cabinet/Committee of Cabinet, the head of an agency, Territory authorities, political parties, Members of the Legislative Assembly and candidates at elections;
- To conduct and promote research into matters relating to elections or other matters relating to its functions;
- To publish material on matters relating to its functions;
- To provide, on payment of a fee decided by it, goods and services to persons or organisations, to the extent that it is able to do so by using information or

material in its possession or expertise acquired in the exercise of its functions;
and

- To conduct ballots for persons and organisations.

The Electoral Commissioner also sits on both the Redistribution Committee and Augmented Redistribution Committee. These are the bodies that play a role in the determination of the redistribution of electoral boundaries for the Legislative Assembly.

The NT Electoral Commission performs both its public awareness and enrolment functions in conjunction with the Australian Electoral Commission.

2.3 VISION, MISSION AND VALUES

The vision of the NTEC is to be recognised widely for its expertise and performance excellence in electoral administration.

To achieve this vision, its mission is to provide high quality and accessible electoral services that are fair and impartial, effective, efficient and in accordance with the law.

The following corporate values are considered vital to our success:

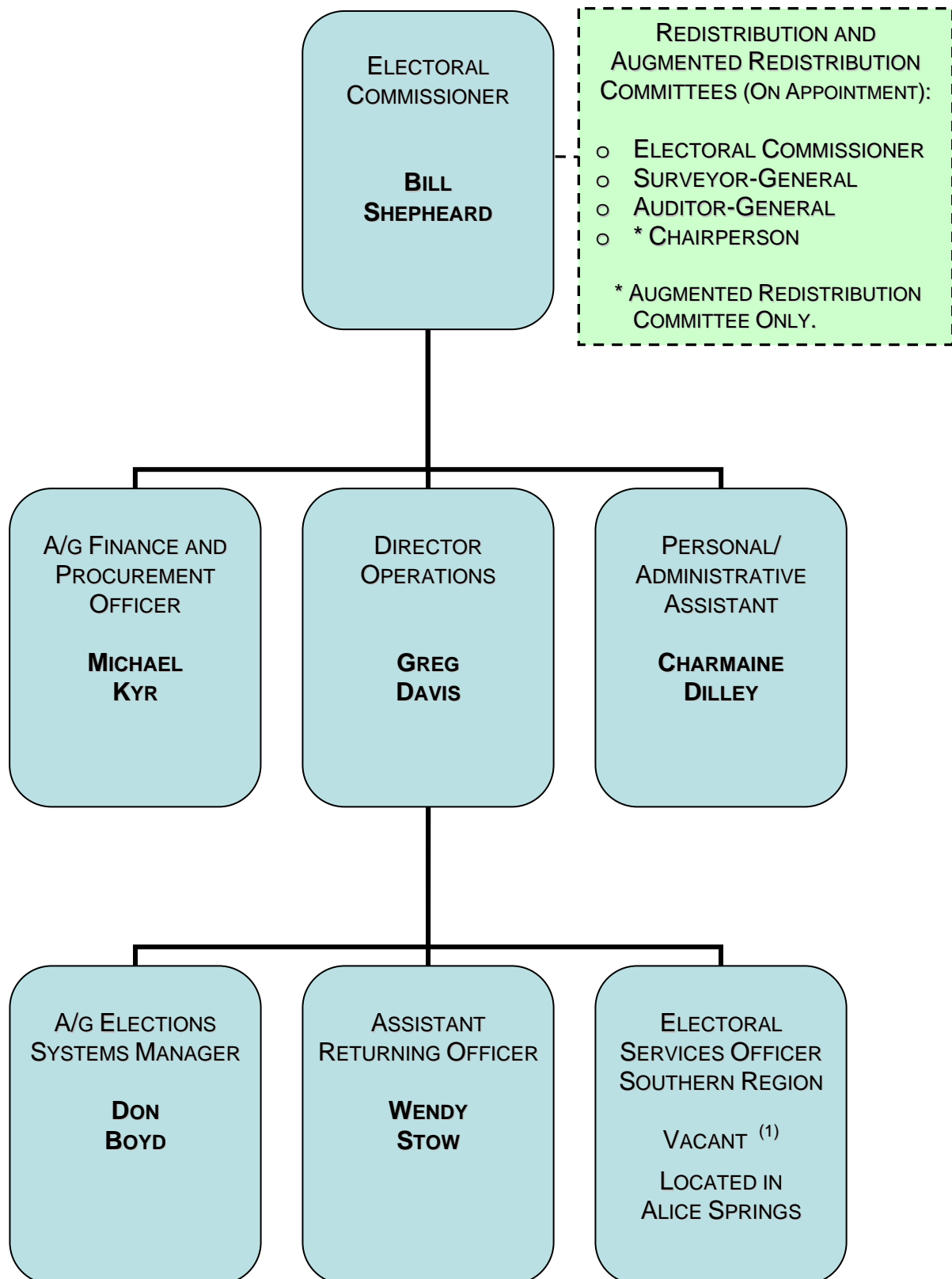
- Integrity;
- Impartiality;
- Transparency and Accountability;
- Commitment to high standards of service delivery;
- Commitment to continuous improvement; and
- Respect for the law.

2.4 LEGISLATIVE BASE

The following Acts and Regulations are administered by the NTEC:

- Electoral Act 2004;
- Electoral Regulations 2004;
- Referendums Act 2001; and
- Referendums Regulations 2003.

2.5 ORGANISATIONAL STRUCTURE (AS AT 30 JUNE 2006)



(1) Vacancy occurred in late June 2006 and recruitment action was being effected at 30 June 2006.

In accordance with *Section 28* of the *Public Sector Employment and Management Act*, a comparison of the Commission's staffing profile at 30 June 2005 and 30 June 2006 is provided below:

DESIGNATION	ACTUAL STAFF 30 JUNE 2005	ACTUAL STAFF 30 JUNE 2006
ADMINISTRATIVE OFFICER 8	1	1
ADMINISTRATIVE OFFICER 6	1	1
ADMINISTRATIVE OFFICER 5	2	1
ADMINISTRATIVE OFFICER 4	1	1
ADMINISTRATIVE OFFICER 3	1	1
TOTAL	6	5

2.6 NATIONAL REPRESENTATION

The NT Electoral Commission is a member of the Electoral Council of Australia (ECA).

The ECA is a consultative council of principal electoral officers from all State/Territories and senior electoral officials from the Commonwealth. It generally meets quarterly. Wherever possible, these meetings are scheduled to coincide with the conduct of State and Federal General Elections.

The ECA provides a forum to deal with and share information on issues related to the maintenance of the joint electoral rolls, the implementation of new electoral legislation, developments of common interest and discussion on 'best practice' in the management of elections.

2.7 PARTNERSHIP WITH THE AUSTRALIAN ELECTORAL COMMISSION

The NT Electoral Commission has strengthened its partnership with the Australian Electoral Commission over the past financial year.

The two Commissions have established a joint working party called Joint Electoral Services Program (JESP) which meets regularly to plan and report on electoral program delivery in the NT. The working party exchanges ideas and sets priorities in relation to delivering electoral programs and services. It also allocates its combined operational resources to agreed strategies and activities.

Several staff exchanges have also taken place between the NT Electoral Commission and the Australian Electoral Commission in Darwin over the past year. This has given staff a greater understanding of the work of its counterpart, enhanced business relationships and created greater potential resource sharing in the future.

Some of the annual advertising and publicity initiatives are also now planned and executed on a joint basis. In particular, joint signage, apparel, presentations and electoral material have also been produced and used in public displays and activities.

“Ballot Box Banter”, a joint quarterly electoral newsletter for stakeholders, has also been produced and distributed over the past year.

2.8 YEAR AT A GLANCE & FUTURE OUTLOOK

The following is a chronological summary of noteworthy events and activities in respect to the 2005-06 financial year:

FROM JULY 2005	Completion of the 2005 Legislative Assembly General Election.
JULY 2005	Report to the Estimates Committee.
SEPTEMBER 2005	Alice Springs Town Council Aldermanic By-Election.
DECEMBER 2005	Publication of the NT Electoral Commission’s 2 nd Annual Report. Publication of Financial Disclosure Returns of Candidates, Donors and Publishers/Broadcasters.
FEBRUARY 2006	Publication of Annual Disclosure Returns of Political Parties.
MAY 2006	Jabiru Town Council Election.

The NT Electoral Commission also conducted 34 elections and by-elections for community government councils in remote areas during 2005-06 (see 3.2.3 of this Report for further details).

In regard to the upcoming year or so, the following tasks/projects are expected to feature heavily on the Commission’s agenda:

- Publication of the 2005 Legislative Assembly General Election Report;
- Publication of a Strategic Plan for the NT Electoral Commission;
- Continuation of the review of the organisational structure of the NTEC;
- Provision of advice with the review of the *Electoral Act* in light of operational experience at the 2005 Legislative Assembly Elections;
- Provision of advice with the review of the *Referendums Act* to bring it into line with the provisions of the new *Electoral Act*;
- Provision of advice and assistance with any review of the Local Government legislation related to electoral provisions;
- Renegotiation of a new Joint Rolls Arrangement with the Commonwealth;

- Development of programs and support materials to raise public awareness on electoral matters;
- Continued conduct of research on relevant electoral topics and issues;
- Review of the planning, support tools and policy related to election management;
- Continued development of the NT Electoral Commission's website; and
- Commencement of preparations for the Redistribution of Electoral boundaries (scheduled to commence in December 2007) and the Local Government General Elections (March 2008).

3. OPERATIONAL OUTCOMES

3.1 EFFECTIVE ELECTORAL ROLL

3.1.1 ROLL REVIEWS

The electoral roll is under constant review, primarily through various mail dispatches, data mining activities and personal visits that include:

- Data exchange and database cross-checks with certain government departments and Australia Post;
- Mail outs to houses where there are no electors enrolled;
- Mail outs to addresses with multiple family listings;
- Targeted and general door-knocking;
- Objection processing in respect to Return to Sender mail;
- Remote community visits and remote electoral agent reviews; and
- Annual conduct of a Sample Audit Fieldwork (SAF) Door-Knock.

3.1.2 SAF REVIEW

On an annual basis over about 10 days in March each year, the AEC undertakes a national audit of the electoral roll throughout the random sampling of addresses in urbanised areas.

In the NT, approximately 30% of its urban addresses are door-knocked as part of that annual exercise.

The NT results of the 2006 SAF audit are set out in the following table:

PERFORMANCE MEASURES	%
ROLL COMPLETENESS (% Electors confirmed as enrolled at audit)	88.71%
ROLL ACCURACY (% Electors confirmed as enrolled correctly at audit)	83.40%
ADDRESS REGISTER ACCURACY (% addresses accurately recorded on Address Register at audit)	99.40%

3.1.3 REMOTE COMMUNITY CONSULTATION AND VISITS

Throughout the past year, NTEC staff have made a conscious effort to increasingly use their involvement with the election of remote community government councils to review and update the electoral roll in those particular areas.

In most cases where the Commission was engaged to conduct an election, field visits were arranged to establish the nomination arrangements and review/update the roll in preparation for roll closure.

3.1.4 ROLL PRODUCTION

The NTEC arranges for the production of rolls and other roll products in respect to the following:

- Legislative Assembly elections
- Local Government elections
- Community Government elections
- Jury Rolls
- Monthly roll updates of the rolls for MLAs and registered political parties
- Medical research purposes (at the discretion of the Electoral Commissioner)

Output in respect to Roll closures/production runs for the 2005-06 financial year can be summarised as follows:

CLIENT	NO. PRODUCTION RUNS	% PRODUCTION DEADLINES MET
Legislative Assembly Elections	NIL	N/A
Local Government Elections	1	100%
Community Government Elections (2 per election)	72	100%
Jury Rolls	2	100%
Updates for MLAs and Registered Parties	12	100%
Medical Research	NIL	N/A

Note: Some production runs of electoral rolls are provided in electronic format.

3.1.5 ENROLMENT ADVERTISING AND PUBLICITY

As there is a high level of movement within the Territory as well as from interstate each year it is important to conduct enrolment campaigns at prime times during the year to ensure that new residents become correctly enrolled. A major campaign is undertaken at the beginning of each calendar year as a large number of movements tend to occur during the Christmas/New Year break.

The campaign was conducted over the weekends of 4/5 February and 11/12 February at Alice Springs, Casuarina, Coolalinga, Darwin City, Katherine, Palmerston

and Tennant Creek. A total of 299 enrolment forms were received during this campaign.

3.1.6 REDISTRIBUTIONS

There was no Legislative Assembly redistribution activity during the 2005-06 financial year.

The next Legislative Assembly Redistribution is due to commence December 2007.

The NTEC normally also assists councils with their review of ward boundaries (if appropriate) and equitable representation on Council; however, no local government reviews were undertaken this year.

3.1.7 JOINT ROLLS ARRANGEMENT

The Northern Territory Electoral Commission and the Australian Electoral Commission (AEC) jointly manage the electoral roll for the Northern Territory under a Joint Roll Arrangement between the Governor General and the Administrator.

The Arrangement provides for a single joint form for Territory and Commonwealth enrolment, the maintenance of the Territory roll on the AEC's national roll management system (RMANS) and the entry of enrolment data by AEC staff.

The NTEC has on-line access to the national roll and provides the AEC with relevant elector/geographic information and lodges enrolment forms that it collects in its operations.

When required, the AEC supplies electoral rolls and other roll products to the NTEC on request.

A local Joint Roll Management Committee made up of senior NT electoral officers from both Commissions meets regularly to establish, monitor and report on the local service delivery, planning, performance and any emerging roll maintenance issues.

3.1.8 ENROLMENT TRANSACTIONS 2003 TO 2006

On 30 June 2006 there were 110,331 electors on the Territory roll, representing a decrease of 1,574 (or 1.6%) during the course of 2005-06.

In the absence of a major electoral event at Commonwealth or Territory level, the number of enrolment transactions processed also decreased marginally.

ENROLMENT AT START OF FINANCIAL YEAR	2003-04	2004-05	2005-06
	108,334	108,479	112,095
<i>PLUS</i> ADDITIONS TO THE ROLL			
NEW ENROLMENTS	2,835	4,609	2,135
RE-ENROLMENTS	2,953	4,548	1,746
RE-INSTATEMENTS	73	189	18
INTERSTATE TRANSFERS TO NT	6,224	7,307	3,986
TOTAL ADDITIONS	+12,085	+ 16,653	+ 7,885
<i>LESS</i> DELETIONS TO THE ROLL			
REMOVAL BY OBJECTION	4,621	5,493	3,533
DEATHS	562	796	743
DUPLICATIONS	56	205	88
INTERSTATE TRANSFERS FROM NT	6,700	6,548	5,282
TOTAL DELETIONS	-11,939	- 13,042	- 9,646
ADJUSTMENT (FEDERAL ONLY ENROLMENT, PROVISIONAL ENROLMENT AND OTHER REASONS).			
	-1	+5	- 4
TOTAL ADJUSTMENTS	-1	+ 5	- 4
ENROLMENT AT CLOSE OF FINANCIAL YEAR	108,479	112,095	110,330

NOTES:

- **NEW ENROLMENTS** include electors enrolling who have not been enrolled previously on any State/Territory roll (and includes provisional electors who have turned 18 years of age);
- **RE-ENROLMENTS** include electors enrolling who are not currently on any State/Territory roll but who have been enrolled on a State/Territory roll in the past;
- **RE-INSTATEMENTS** include electors who were removed for an address, by objection or another reason, but whose enrolment for that address was later reinstated following receipt of additional information;
- **INTERSTATE TRANSFERS TO NT** are electors enrolled for an interstate address who changed their address to an NT address;
- **INTERSTATE TRANSFERS FROM NT** are electors enrolled in the NT who changed their address to an interstate address;

- **REMOVED BY OBJECTION** are electors who have failed to provide just cause as to why their name should not be removed from the roll for their enrolled address;
- **DUPLICATIONS** are cases of removal of an elector's name on the roll when it is found that he/she is enrolled more than once, usually because of the use of maiden names, alternative names, etc;
- **FEDERAL ONLY ENROLMENT** are electors who qualify for Commonwealth enrolment but not Territory enrolment;
- **PROVISIONAL ENROLMENT** includes electors who enrol when they are 17 and obtain full enrolment and voting rights on their 18th birthday; and
- **OTHER REASONS** include electors who are enrolled on the Christmas and Cocos (Keeling) Islands which forms part of the Federal roll for the Division of Lingiari but not the Northern Territory Legislative Assembly roll and transfer to or from an address within the Territory.

Enrolment transactions, however, are not limited to those cases where a name is either added or deleted from the electoral roll in the Northern Territory. Enrolment cards are also received from electors who are notifying a change of address within their current NT Division or to another NT Division. In addition, there are other cases where electors submit an enrolment card or an amendment card is internally generated that leaves an elector's current enrolled address unchanged whilst updating personal information.

A table summarising these particular transactions effected over the course of the past three years follows:

ENROLMENT TRANSACTIONS	2003-04	2004-05	2005-06
TRANSFERS BETWEEN DIVISIONS	8,029	8,028	4,550
CHANGES WITHIN DIVISIONS	4,710	5,362	2,751
NO CHANGE/AMENDMENTS	3,880	4,621	909
TOTAL TRANSACTIONS	16,619	18,011	8,210

The vast majority of enrolment transactions are generated through Continuous Roll Update mail activities, follow up on data exchanges, roll closures for electoral events and by electors simply picking up forms from the Post Office/community council office on their own volition.

The NTEC distributes enrolment forms through a network of Territory agencies and also collects forms during its own electoral events or in the course of its daily activities. It is estimated that in excess of 1,000 enrolment forms were collected by the NT Electoral Commission through these efforts over the past year.

3.2 EFFECTIVE AND LAWFULLY ADMINISTERED ELECTIONS

3.2.1 LEGISLATIVE ASSEMBLY ELECTIONS

There was no Legislative Assembly election held during the 2005-06 financial year.

3.2.2 MUNICIPAL ELECTIONS AND BY-ELECTIONS

The only municipal by-election conducted this year was an election for an alderman to fill a vacancy on the Alice Springs Town Council.

Advertisement

Local Government Act
Local Government (Electoral) Regulations

**ALICE SPRINGS
TOWN COUNCIL
NOTICE INVITING
NOMINATIONS
FOR THE ELECTION
OF
ONE ALDERMAN**

I, WILLIAM PETER SHEPHEARD, the returning officer for the municipality of Alice Springs, pursuant to regulation 11 of the *Local Government (Electoral) Regulations*—

(a) invite nominations for an election to be held on 24 September 2005 for the election of one person to the office of alderman for the municipality of Alice Springs; and

(b) advise this notice is, for the section 46(b) of the *Local Government Act*, the last publication of the notice inviting nominations for the election.

Dated 19 August 2005.

*BILL SHEPHEARD
RETURNING OFFICER*

Polling Day for the Alice Springs Aldermanic By-Election was 24th September 2005.

Of the 14,225 electors on the roll only 8634 votes (60%) were taken of which 852 (9.87%) were informal.

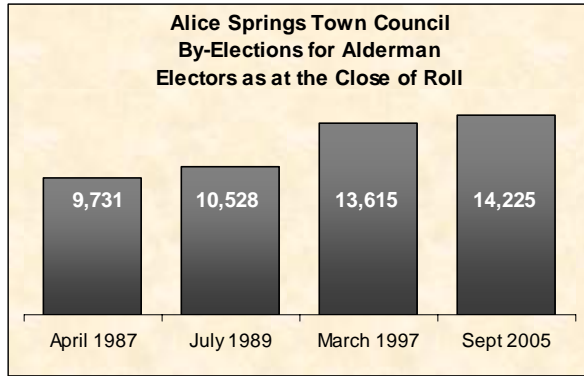
A post poll examination of the 852 informal votes indicated that 168 of them appear to have been genuine attempts to vote formally; however, the remaining informal votes (i.e. 80.3% of the informal votes cast) would seem to have been marked that way intentionally.

The turnout at by-elections is traditionally lower than general elections and the situation in this case might have also been exacerbated by the fact that Polling Day coincided with AFL Grand Final day.

ALICE SPRINGS BY-ELECTION – ELECTION TIMETABLE

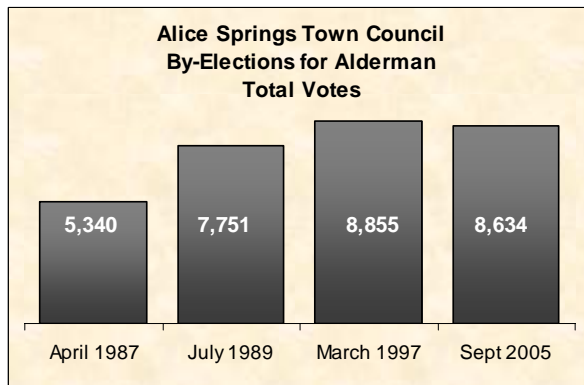


TIMETABLE REQUIREMENTS UNDER THE Local Government act 2004 and the Local Government (Electoral) Regulations	
Public Notice of Nominations (Reg 11)	A Returning Officer shall invite nominations for an election by giving public notice and shall invite nominations by publishing a notice in a newspaper circulating in the municipality.
Close of electoral roll (Reg 10)	The Commission shall, for the purpose of an election, close the electoral roll at 6.00pm on the day on which the Returning Officer publishes a notice, or the first of such notices, under Regulation 11.
Close of Nominations (Sect 46)	Nomination day, in the case of a by-election, is the first Friday after the expiration of 10 days after the date of the last publication of the notice inviting nominations for the election.
Declaration of Candidates (Reg 15)	At 12.00 noon on nomination day, the returning officer shall, publicly declare the names and addresses of all candidates nominated.
Mobile Voting (Reg 29 (1) (A))	A Returning officer may use mobile polling teams to service the voting needs of a class of voters, such as the in-patients or inmates in a hospital or institution.
Postal Voting (Reg 19)	Electors may apply for a postal ballot paper if they are unable to attend a polling place. Postal votes must reach the returning Officer no later than 6.00pm on the Friday following Polling day.
Pre-Poll Voting (Reg 19)	Pre-Poll voting commences after the close of nominations up to 6.00pm on the day before the Polling Day.
Polling Day (Sect 40)	The date for holding a by-election shall be the fourth Saturday following nomination day. The hours of polling are 8.00am to 6.00pm.
Declaration of Poll (Reg 71)	Results of the election are required to be publicly declared as soon as practicable after they have been determined.



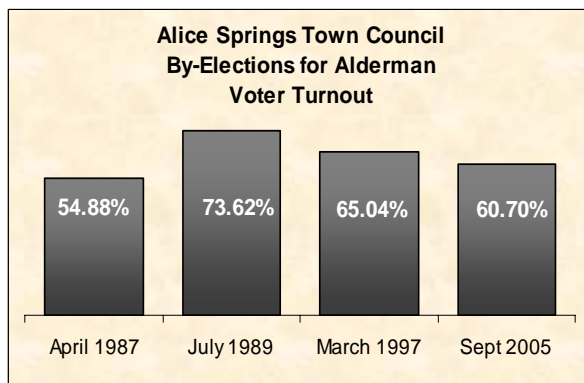
**ELECTORS AS AT THE
CLOSE OF ROLL**

Numbers on the roll have shown only a marginal increase over the past seven years since the last by-election.



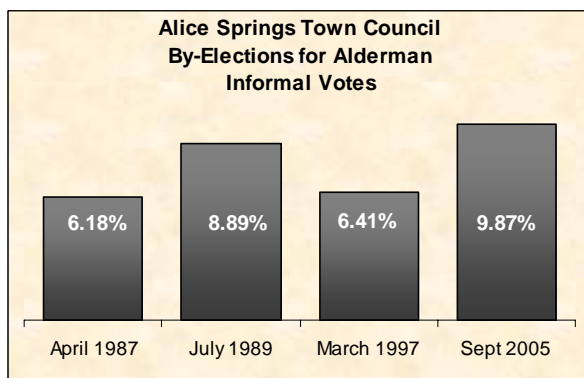
TOTAL VOTES

There was a notable decline in the numbers of voters casting a vote at this by-election (see also voter turnout below). The decline between by-elections in 1997 and 2005 is particularly notable when viewed in the context of the larger roll numbers (see above) between those two events.



VOTER TURN-OUT

The turnout rate for the Alice Springs Town Council at the 2004 Local Government General Election was 73%. Turnouts at by-elections are traditionally lower but the 2005 by-election outcome is still disappointing and the downward trend of recent years is not encouraging. However, the conduct of the poll on AFL Grand Final day may well have been a significant contributor to the low turnout as a number of residents would have been absent from the township on Polling Day.



INFORMAL VOTES

The informal voting rate for the Alice Springs Town Council at the 2004 Local Government General Election was 4.7%. The informal rate at this election is particularly high. A survey of the informal ballot papers (see below) conducted after the election indicates that the vast majority of these informal votes were cast intentionally and this probably reflects the electors level of knowledge of candidates and interest in the compulsory election.

ALICE SPRINGS TOWN COUNCIL BY-ELECTION SEPTEMBER 2005
INFORMAL VOTE SURVEY

CATEGORY OF BALLOT PAPER	NUMBER	%	UNINTENTIONAL INFORMAL	INTENTIONAL INFORMAL
Totally blank	311	36.50%		311
Number 1 only	36	4.23%	36	
Number 1,2 only	9	1.06%	9	
Number 1,2,3 only	5	0.59%	5	
Number 1,2,3,4 only	0	0.00%	0	
One tick or cross	23	2.70%	23	
More than one tick or cross	9	1.06%	9	
All ticks or crosses	48	5.63%		48
Other symbols, alpha, zeros	95	11.15%		95
Non sequential numbers	62	7.28%	62	
Scribble, slogans, protest votes	230	27.00%		230
Illegible numbers	7	0.82%	7	
Voter identified	0	0.00%		
1 and cross, tick etc	2	0.23%	2	
More than one number	14	1.64%	14	
Numbers outside box & not aligned	1	0.12%	1	
TOTAL	852		168	684
			20%	80%

3.2.3 COMMUNITY GOVERNMENT COUNCIL ELECTIONS AND BY-ELECTIONS

During the year the staff undertook various types of elections and by-elections for community government councils. A summary of the elections conducted follows:

TYPE OF ELECTION	NUMBER
Council General Elections that went to poll	9
Council By-elections that went to poll	5
Elections/by-elections declared without the need for a poll (ie number of nominations equal to number of vacancies)	15
Elections where insufficient nominations were received to fill vacancies	5
TOTAL	34

NOTES: (1) In addition to the above, the NTEC also provided equipment and advice to CEOs who conducted their own polls on two occasions. It also assisted with the conduct of a special election at Yuendumu/Willowra to elect an advisory committee to assist with the establishment of a new community government council.

(2) Where no nominations are received at a by-election, a fresh by-election is required to be set.

Over the past year, the Commission has moved to make Community Government elections the cornerstone of the delivery of its enrolment and public awareness programs in remote areas. By targeting these events with field visits in conjunction with the Australian Electoral Commission at as many key election milestones (e.g. the close of rolls, close of nominations and Polling Day, etc) as is practical, the Commission is now better placed to harness potential for local support and build on local interest in electoral affairs within the individual communities.

In particular, field visits during the local election period focus on the following:

- Reviewing the electoral roll;
- Promoting electoral participation at the election; and
- Delivering voter education and general electoral awareness sessions at local schools and community groups.

3.2.4 OTHER ELECTIONS

The Commission also assisted in the conduct of 9 elections in respect to community councils which are incorporated associations and are constituted under the *Northern Territory Associations Act 2004* or the *Commonwealth Aboriginal Councils and Associations Act 1976*.

In May 2006, the Commission also conducted the election for the Jabiru Town Council which had been under administration. The election was conducted in accordance with the Jabiru Town Development (Council Election) By-Laws. Voting is not compulsory.

The Jabiru Town Council election involved the election of a full Council and drew a field of eleven (11) candidates to contest the seven (7) positions. Mobile polling and pre-polling services provided at the Council office supplemented the establishment of a static polling place that operated from 8 am to 6 pm on Saturday 27th May 2006.

The voter turnout figures at the election are shown below:

JABIRU TOWN COUNCIL ELECTION 2006					
ELECTORS ON THE ROLL	ABSENTEE VOTES	MOBILE TEAM VOTES	STATIC POLLING VOTES	TOTAL VOTES	% TURNOUT
616	51	20	195	266	43.2%

The Commission also conducted elections for four (4) “Not-for-Profit” incorporated associations. These organisations have either experienced problems in the past with the conduct of their elections or do not have the expertise within the organisation to properly conduct elections.

3.2.5 FEE-FOR-SERVICE ELECTIONS

The Commission may conduct fee-for-service elections. In this financial year, the Commission conducted five (5) of these elections; namely:

- Nguju Ultijinni Association Inc;
- Dinah Beach Cruising Yacht Club Inc;
- Darwin Railway Club Inc;
- Mindil Beach Sunset Markets Association Inc; and
- NT Prison Officers Association Inc.

3.2.6 PARTY REGISTRATION AND FINANCIAL DISCLOSURE

During the financial year, no new political parties were registered and no previously registered political party were deregistered. However, two (2) changes have occurred in respect to the details of the “Registered Officer” of parties and these changes were effected on the public records accordingly.

Publishers and Broadcasters are required to lodge returns within eight (8) weeks of a Legislative Assembly Election while Candidates and their Donors are required to lodge a return within fifteen (15) weeks. In respect to the 2005 Legislative Assembly General Election (held on 18 June 2005), all returns were duly lodged and details of the returns were published on the Commission’s website.

Within sixteen (16) weeks of the end of the financial year, all registered political parties are required to lodge a return with the Commission regarding their donations and expenditure during the past year. If they wish, parties may lodge a copy of their Commonwealth disclosure returns. Those who make donations to political parties are also required to furnish a return within twenty (20) weeks of the end of the financial year. Again, all returns for the registered political parties and donors were lodged and copies of these returns were also placed on the Commission’s website.

Compliance reviews of the returns of candidates, political parties, associated entities and donors will be undertaken in 2006-07.

3.3 AN INFORMED COMMUNITY ON ELECTORAL MATTERS

3.3.1 ADVERTISING/PUBLICITY CAMPAIGNS

The Commission engages in a series of advertising and publicity campaigns to raise electoral awareness and elector compliance.



PUT AN ENROLMENT CHECK ON YOUR SHOPPING LIST

Enrolment stalls are coming to a shopping centre near you.

SATURDAY 4 February 2006, 9.00am - 1.00pm
 Mitchell Centre, Darwin (near Bakery)
 Palmerston Shopping Centre, Palmerston (near Target)
 Coolalinga Shopping Centre, Virginia (near Woolworths)
 Oasis Shopping Centre, Katherine (near Woolworths)
 Food Bam, Tennant Creek
 Yeperenye Shopping Centre, Alice Springs (Food Court)

SATURDAY 4 February 2006, 9.00am - 4.00pm & SUNDAY 5 February 2006, 10.00am - 2.00pm
 Casuarina Square, Casuarina (near Jamaica Blue)

 **13 23 26 ENROLMENT HOTLINE**
 or check your enrolment details on line www.aec.gov.au

Northern Territory Electoral Commission
 Working in Partnership
 Australian Electoral Commission

At the beginning of each calendar year, in tandem with the AEC, the Commission runs a series of television and press advertising and publicity initiatives throughout the Territory specifically aimed at new residents to the Territory. The major aim of the campaign is to inform those people who have just moved to the Territory, or have moved to another location within the Territory, of their obligation to enrol for their real place of living.

This campaign is supported by a range of field activities targeting a range of groups (see 3.3.3 below) and the general public.

In addition to this seasonal campaign, the Commission also generates advertising and publicity during election periods for Legislative Assembly, local government and community government polls. For instance, in respect to Alice Springs Town Council By-election and Jabiru Town Council election, election specific advertising related to services and elector obligations was included in local press and publicity was generated through radio and TV. At community government elections, electoral awareness notices are also placed throughout the community on all public notice boards and in other strategic locations.

3.3.2 SCHOOL VISIT SESSIONS

The NTEC and the AEC work collaboratively to deliver education sessions to students at school. Youth is one of the major target groups as they are the electors of tomorrow. The following electoral education topics are usually covered in these sessions:

- Role of NTEC & AEC;
- 3 levels of government;
- Enrolment & electoral roll;
- Marking a Ballot paper correctly;
- Voting systems; and
- Voting services



51 education sessions were undertaken in the 2005/06 financial year reaching 2,000 students. Schools visited include primary and secondary schools in the major urban areas of the Northern Territory. Schools in rural and remote areas are also visited as part of the council election process and as part of general field work. Some of the rural and remote areas visited include Pine Creek, Mataranka, Yirrkala, Yuendumu, Apatula and Borroloola. House Captain and

SRC elections were also conducted at various schools early in the year which enabled students to participate in democratic processes that are meaningful to them.

LOCATION TYPE	NUMBER OF SESSIONS	NUMBER OF STUDENTS
URBAN	35	1,400
RURAL	4	180
REMOTE	12	420

3.3.3 COMMUNITY EVENTS/ STALLS/VISITS

The NTEC and the AEC worked collaboratively to raise general electoral public awareness within the community. Stalls, visits and sessions were undertaken at the following during the year:

- NAIDOC 2005
- Show Circuit 2005 (Alice Springs, Tennant Creek, Katherine and Darwin)
- Show Circuit 2006 (Fred's Pass)
- Croc Fest (Alice Springs)
- Democracy Week
- Defence Expos (Tindal and Robertson Barracks)
- CDU Orientation Day (Darwin Campus)
- Shopping Centre Enrolment Drives (All regional centres)
- Palmerston Youth Festival
- Bass In The Grass
- Citizenship Ceremonies

The JESP Working Party also provided support to a joint Travelling Road Show involving the following representatives:

- Sue Mazlin –AEC and JESP representative;
- Loraine Caldwell – Parliamentary Liaison Unit; and
- Katrina Fong Lim – Australia Day Council.

This is the second year the Travelling Road Show has been undertaken, with the electoral dimension being added this year. The Road Show started in Darwin and over a week, staff members travelled down the Stuart Highway to Alice Springs and gave presentations at 10 schools to 285 students. The presentations included an Australian Quiz and provided information of the three levels of government, election processes and parliament. Activities included mock elections and role playing.

As well as promoting the requirement for electors to be correctly enrolled, these events are used to provide information to electors about a range of electoral issues.

3.3.4 RESEARCH

A case study was undertaken by the Commission, with assistance from the AEC, into the participation rate of the Stuart Division voters at the Legislative Assembly General Election. The Division of Stuart had the lowest participation rate (59%) at the 2005 Legislative Assembly Election and has traditionally returned the lowest participation rates amongst all NT Divisions. It is also notable as being the only division that has no static polling places.

The case study mostly focused on non-voters at the poll in an attempt to identify and measure causes for the comparatively low turnout and ways in which services that may be improved in future. Field trips were organised to undertake the following tasks:

- Review the electoral roll for each community;
- Canvass major organisations and authorities within the community; and
- Receive feedback from a sample of individuals, particularly those who failed to vote at the General and past elections.

A report on the case study is currently being finalised and is expected to be placed on the Commission's website in the near future.

3.3.5 PARLIAMENTARY REPORTS AND PUBLICATIONS

The Commission this year presented its 2nd Annual Report, being for 2004-05, to the Legislative Assembly.

During the year, details of election services, election results and summaries/copies of financial disclosure returns were also placed on the Commission's website.

Throughout the year AEC and NTEC jointly published Ballot Box Banter, a quarterly newsletter to stakeholders.

A Report on the 2005 Legislative Assembly General Election is due to be presented to the Legislative Assembly shortly.

In March 2006, the Joint Select Committee on Electoral Matters (JSCEM) invited written submissions in respect to its inquiry into the adequacy electoral and civics education. The NTEC made a submission to the Inquiry and this is listed as Submission No. 98 on the Australian Parliament website:

(www.aph.gov.au/house/committee/em/education/index.htm).

The JSCEM will be conducting public hearings on this matter around the nation and has scheduled a hearing in Darwin for November 2006.

4. FINANCIAL REPORT

4.1 FINANCIAL STATEMENT OVERVIEW

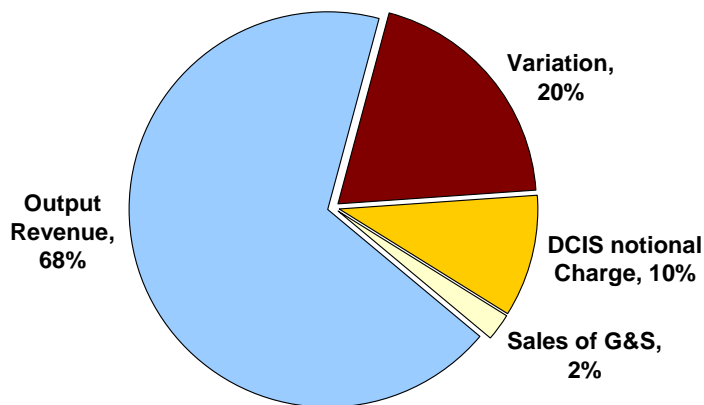
NORTHERN TERRITORY ELECTORAL COMMISSION FINANCIAL STATEMENT OVERVIEW FOR THE YEAR ENDED 30 JUNE 2006

The Commission's total revenue for the year was \$2.01 million (rounded) in comparison to the budgeted amount of \$1.45 million. This increase was due to a one-off budget variation of \$0.4 million to cover the cost incurred in 2005-06 for the 2005 Legislative Assembly General Election, a notional revenue increase of \$0.1 million to cover additional charges from the Department of Corporate and Information Services and the agency's own source revenue of \$0.05 million from conducting a Municipal Council By-election for which the full cost is recovered.

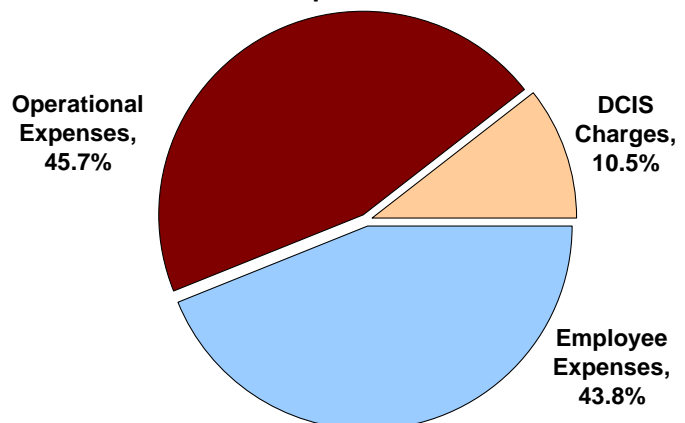
The Commission's total Operating Expenses of \$1.90 million (rounded) comprised of \$0.83 million for employee costs and \$0.86 million for administrative expenditure. Total administrative costs include a notional amount of \$0.20 million for services received from the Department of Corporate and Information Services.

For the year ended 30 June 2006, the Commission recorded a surplus of \$0.11 million due to a slight under-spend in Agency expenses caused essentially by the suspension of a number of programs and projects during the Legislative Assembly General Election.

2005-06 Revenue Distribution



2005-06 Expenses Distribution



4.2 CERTIFICATION OF FINANCIAL STATEMENTS

NORTHERN TERRITORY ELECTORAL COMMISSION CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

We certify that the attached financial statements for the Northern Territory Electoral Commission have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2006 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

BILL SHEPHEARD
ELECTORAL COMMISSIONER

20 OCTOBER 2006

MICHAEL KYR
FINANCE & PROCUREMENT OFFICER

20 OCTOBER 2006

4.3 OPERATING STATEMENT

NORTHERN TERRITORY ELECTORAL COMMISSION OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$000	2005 \$000
INCOME			
TAXATION REVENUE			
GRANTS AND SUBSIDIES REVENUE			
CURRENT			
CAPITAL			
OUTPUT REVENUE		1 766	1 566
SALES OF GOODS AND SERVICES		46	22
INTEREST REVENUE			
GOODS AND SERVICES RECEIVED FREE OF CHARGE	4	199	104
OTHER INCOME		(1)	4
TOTAL INCOME		2,011	1,696
EXPENSES			
EMPLOYEE EXPENSES		830	1 048
ADMINISTRATIVE EXPENSES			
PURCHASES OF GOODS AND SERVICES	5	861	609
REPAIRS AND MAINTENANCE		2	1
DEPRECIATION AND AMORTISATION	8	3	3
OTHER ADMINISTRATIVE EXPENSES (1)		200	104
GRANTS AND SUBSIDIES EXPENSES			
CURRENT			
CAPITAL			
COMMUNITY SERVICE OBLIGATIONS			
INTEREST EXPENSES	13		
TOTAL EXPENSES		1,897	1,765
NET SURPLUS/(DEFICIT)	11	115	(69)

THE OPERATING STATEMENT IS TO BE READ IN CONJUNCTION WITH THE NOTES TO THE FINANCIAL STATEMENTS.

¹ Includes DCIS service charges.

4.4 BALANCE SHEET

NORTHERN TERRITORY ELECTORAL COMMISSION BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$000	2005 \$000
ASSETS			
CURRENT ASSETS			
CASH AND DEPOSITS	6	53	220
RECEIVABLES	7	8	10
TOTAL CURRENT ASSETS		60	230
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	8	7	11
TOTAL NON-CURRENT ASSETS		7	11
TOTAL ASSETS		68	241
LIABILITIES			
CURRENT LIABILITIES			
DEPOSITS HELD		5	16
PAYABLES	9	60	157
PROVISIONS	10	123	109
TOTAL CURRENT LIABILITIES		188	282
TOTAL LIABILITIES		188	282
NET ASSETS		(120)	(41)
EQUITY			
CAPITAL		(281)	(87)
ACCUMULATED FUNDS		161	47
TOTAL EQUITY		(120)	(41)

THE STATEMENT OF FINANCIAL POSITION IS TO BE READ IN CONJUNCTION WITH THE NOTES TO THE FINANCIAL STATEMENTS.

4.5 STATEMENT OF CHANGES IN EQUITY

NORTHERN TERRITORY ELECTORAL COMMISSION STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$000	2005 \$000
BALANCE OF EQUITY AT 1 JULY		(41)	109
CAPITAL	11		
BALANCE AT 1 JULY		(87)	(6)
EQUITY WITHDRAWALS		(194)	(81)
BALANCE AT 30 JUNE		(281)	(87)
ACCUMULATED FUNDS	11		
BALANCE AT 1 JULY		47	116
SURPLUS/(DEFICIT) FOR THE PERIOD		115	(69)
BALANCE AT 30 JUNE		161	47
BALANCE OF EQUITY AT 30 JUNE		(120)	(41)

THE CASH FLOW STATEMENT IS TO BE READ IN CONJUNCTION WITH THE NOTES TO THE FINANCIAL STATEMENTS.

4.6 CASH FLOW STATEMENT

NORTHERN TERRITORY ELECTORAL COMMISSION CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$000	2005 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		(OUTFLOWS)/ INFLOWS	(OUTFLOWS)/ INFLOWS
OPERATING RECEIPTS			
OUTPUT REVENUE RECEIVED		1,766	1,566
RECEIPTS FROM SALES OF GOODS AND SERVICES		139	(60)
TOTAL OPERATING RECEIPTS		1,905	1,506
OPERATING PAYMENTS			
PAYMENTS TO EMPLOYEES		(816)	(1,019)
PAYMENTS FOR GOODS AND SERVICES		(1,052)	(573)
TOTAL OPERATING PAYMENTS		(1,867)	(1,592)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	12	37	(86)
CASH FLOWS FROM FINANCING ACTIVITIES			
FINANCING RECEIPTS			
DEPOSITS RECEIVED		(11)	16
EQUITY INJECTION	11		
TOTAL FINANCING RECEIPTS		(11)	16
FINANCING PAYMENTS			
EQUITY WITHDRAWALS	11	(194)	(81)
TOTAL FINANCING PAYMENTS		(194)	(81)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES		(205)	(65)
NET INCREASE/(DECREASE) IN CASH HELD		(167)	(151)
CASH AT BEGINNING OF FINANCIAL YEAR		220	371
CASH AT END OF FINANCIAL YEAR	6	53	220

THE CASH FLOW STATEMENT IS TO BE READ IN CONJUNCTION WITH THE NOTES TO THE FINANCIAL STATEMENTS.

4.7 NOTES TO THE FINANCIAL STATEMENTS

NORTHERN TERRITORY ELECTORAL COMMISSION INDEX OF NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

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2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
3. OPERATING STATEMENT BY OUTPUT GROUP

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4. GOODS AND SERVICES RECEIVED FREE OF CHARGE

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5. PURCHASES OF GOODS AND SERVICES

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11. EQUITY

OTHER DISCLOSURES

12. NOTES TO THE CASH FLOW STATEMENT
13. FINANCIAL INSTRUMENTS
14. COMMITMENTS
15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS
16. EVENTS SUBSEQUENT TO BALANCE DATE
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18. WRITE-OFFS, POSTPONEMENTS AND WAIVERS
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NORTHERN TERRITORY ELECTORAL COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

1. OBJECTIVES AND FUNDING

The Northern Territory Electoral Commission was established in March 2004 to support government by providing a fair, impartial and professional electoral service and ensuring there is an opportunity for the people of the Northern Territory to participate in free and democratic elections. The Commission is responsible for conducting elections for the Legislative Assembly, Local Government, Community Government, and other organisations in an efficient and cost-effective manner, consistent with legislative requirements.

The Commission is predominantly funded by, and is dependent on the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the Agency controls resources to carry on its functions and deliver outputs.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the requirements of the Financial Management Act and related Treasurer's Directions. The Financial Management Act requires the Commission to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of Agency financial statements is to include:

- (i) a Certification of the Financial Statements;
- (ii) an Operating Statement;
- (iii) a Balance Sheet;
- (iv) a Statement of Changes in Equity;
- (v) a Cash Flow Statement; and
- (vi) applicable explanatory notes to the financial statements.

The form of Agency financial statements is consistent with the accrual budget format and the requirements of Australian Accounting Standards, including AASB 101, AASB 107 and AAS 29. The format also requires additional disclosures specific to Territory Government entities.

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received. As part of the preparation of the financial statements, all intra Agency transactions and balances have been eliminated.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

This is the Commission's first financial report prepared following the adoption of Australian equivalents to International Financial Reporting Standards (IFRS). The adoption of Australian equivalents to IFRS has resulted in no adjustments.

b) AGENCY AND TERRITORY ITEMS

The financial statements of the Northern Territory Electoral Commission include income, expenses, assets, liabilities and equity over which the Commission has control (Agency items). Certain items, while managed by the Agency, are controlled and

recorded by the Territory rather than the Agency (Territory items). Territory items are recognised and recorded in the Central Holding Authority as discussed below.

CENTRAL HOLDING AUTHORITY

The Central Holding Authority is the 'parent body' that represents the Government's ownership interest in Government controlled entities.

The Central Holding Authority also records all Territory items, such as income, expenses, assets and liabilities controlled by the Government and managed by Agencies on behalf of the Government. The main Territory item is Territory income, which includes taxation and royalty revenue, Commonwealth general purpose funding (such as GST revenue), fines, and statutory fees and charges.

The Central Holding Authority also holds certain Territory assets not assigned to Agencies as well as certain Territory liabilities that are not practical or effective to assign to individual Agencies such as unfunded superannuation and long service leave.

The Central Holding Authority recognises and records all Territory items, and as such, these items are not included in the Agency's financial statements. However, as the Agency is accountable for certain Territory items managed on behalf of Government, these items have been separately disclosed in note 19 - Schedule of Territory Items.

c) COMPARATIVES

Where necessary, comparative information for the 2004-05 financial year has been reclassified to provide consistency with current year disclosures.

In accordance with AASB 1: First Time Adoption of Australian Equivalents to IFRS, comparative information, with the exception of that relating to financial instruments, has been adjusted for the adoption of Australian equivalents to IFRS. Where changes to financial instruments are required as a result of the adoption of Australian equivalents to IFRS, any adjustments will occur as at 1 July 2005 (the 2005-06 financial year).

d) PRESENTATION AND ROUNDING OF AMOUNTS

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

e) CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies adopted in 2005-06 as a result of management decisions.

f) GOODS AND SERVICES TAX

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

g) INCOME RECOGNITION

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

OUTPUT REVENUE

Output revenue represents Government funding for Agency operations and is calculated as the net cost of Agency outputs after taking into account funding from Agency income. The net cost of Agency outputs for Output Appropriation purposes does not include any allowance for major non-cash costs such as depreciation.

Revenue in respect of this funding is recognised in the period in which the Agency gains control of the funds.

GRANTS AND OTHER CONTRIBUTIONS

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

SALE OF GOODS

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes to the customer and specified conditions associated with the sale have been satisfied.

RENDERING OF SERVICES

Revenue from rendering services is recognised on a stage of completion basis.

INTEREST REVENUE

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

DISPOSAL OF ASSETS

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

CONTRIBUTIONS OF ASSETS

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised, unless otherwise determined by Government, as gains when the Agency obtains control of the asset or contribution. Contributions are recognised at the fair value received or receivable.

h) REPAIRS AND MAINTENANCE EXPENSES

Funding is received for repairs and maintenance works associated with Agency assets as part of Output Revenue. Costs associated with repairs and maintenance works on Agency assets are expensed as incurred.

i) INTEREST EXPENSES

Interest expenses include interest and finance lease charges. Interest expenses are expensed in the period in which they are incurred.

j) CASH AND DEPOSITS

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash. Cash at bank includes monies held in the Accountable Officer's Trust Account (AOTA) that are ultimately payable to the beneficial owner – refer also to note 17.

k) RECEIVABLES

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for uncollectible amounts. The collectibility of receivables is reviewed regularly, and part of this process is to assess, at reporting date, whether an allowance for doubtful debts is required.

Accounts receivable are generally settled within 30 to 45 days.

l) PROPERTY, PLANT AND EQUIPMENT**ACQUISITIONS**

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$5,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$5,000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

COMPLEX ASSETS

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

SUBSEQUENT ADDITIONAL COSTS

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

CONSTRUCTION (WORK IN PROGRESS)

As part of Working for Outcomes, the Department of Planning and Infrastructure is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for all Agency capital works is provided directly to the Department of Planning and Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the Agency.

DEPRECIATION AND AMORTISATION

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives.

Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions. Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

IMPAIRMENT OF ASSETS

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible Agency assets are assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the Agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Operating Statement unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the Asset Revaluation Reserve for that class of asset to the extent that an available balance exists in the Asset Revaluation Reserve.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the Asset Revaluation Reserve. Note 11 provides additional information in relation to the Asset Revaluation Reserve.

m) LEASED ASSETS

Leases under which the Agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

FINANCE LEASES

Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

OPERATING LEASES

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

n) PAYABLES

Liabilities for accounts payable and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Agency. Accounts payable are normally settled within 30 days.

o) EMPLOYEE BENEFITS

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries

and recreation leave. Liabilities arising in respect of wages and salaries and recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the Government long term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

As part of the introduction of *Working for Outcomes*, the Central Holding Authority assumed the long service leave liabilities of Government Agencies, including the Northern Territory Electoral Commission and as such no long service leave liability is recognised in Agency financial statements.

p) SUPERANNUATION

Employees' superannuation entitlements are provided through the:

- NT Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee nominated schemes for those employees commencing on or after 10 August 1999.

The Agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in Agency financial statements.

q) CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

The Agency may receive contributions from Government where the Government is acting as owner of the Agency. Conversely, the Agency may make distributions to Government. In accordance with the Financial Management Act and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the Agency as adjustments to equity.

The Statement of Changes in Equity and note 11 provide additional information in relation to contributions by, and distributions to, Government.

r) COMMITMENTS

Disclosures in relation to capital and other commitments, including lease commitments are shown at note 14 and are consistent with the requirements contained in AASB 101, AASB 117 and AAS 29.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

3. OPERATING STATEMENT BY OUTPUT GROUP

As the Commission only has the one Output Group, Electoral Services, reference should be made to the Commission's Operating Statement.

4. GOODS AND SERVICES RECEIVED FREE OF CHARGE

	2006 \$'000	2005 \$'000
CORPORATE AND INFORMATION SERVICES	199	104
INTERNAL AUDITS AND REVIEWS		
	199	104

5. PURCHASES OF GOODS AND SERVICES

The net surplus/ (deficit) has been arrived at after charging the following expenses:

GOODS AND SERVICES EXPENSES:

CONSULTANTS ⁽¹⁾	0	7
ADVERTISING ⁽²⁾	1	0
MARKETING AND PROMOTION ⁽³⁾	61	43
DOCUMENT PRODUCTION	26	81
LEGAL EXPENSES ⁽⁴⁾	6	0
RECRUITMENT ⁽⁵⁾	1	1
TRAINING AND STUDY	0	0
OFFICIAL DUTY FARES	109	103
TRAVELLING ALLOWANCE	19	37
	223	272

(1) INCLUDES MARKETING, PROMOTION AND IT CONSULTANTS.

(2) DOES NOT INCLUDE RECRUITMENT ADVERTISING OR MARKETING AND PROMOTION ADVERTISING.

(3) INCLUDES ADVERTISING FOR MARKETING AND PROMOTION, BUT EXCLUDES MARKETING AND PROMOTION CONSULTANTS' EXPENSES, WHICH ARE INCORPORATED IN THE CONSULTANTS' CATEGORY.

(4) INCLUDES LEGAL FEES, CLAIM AND SETTLEMENT COSTS.

(5) INCLUDES RECRUITMENT RELATED ADVERTISING COSTS.

6. CASH AND DEPOSITS

CASH ON HAND	11	11
CASH AT BANK	42	209
	53	220

7. RECEIVABLE

CURRENT		
OTHER RECEIVABLE	8	10
TOTAL RECEIVABLES	8	10

8.(a) PROPERTY, PLANT AND EQUIPMENT

	2006 \$'000	2005 \$'000
PLANT AND EQUIPMENT		
AT COST	39	39
LESS: ACCUMULATED DEPRECIATION	(32)	(28)
TOTAL PROPERTY, PLANT AND EQUIPMENT	7	11

8.(b) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2005-06 is set out below:

30 JUNE 2006	PLANT & EQUIPMENT \$000	30 JUNE 2005	PLANT & EQUIPMENT \$000
CARRYING AMOUNT AS AT 1 JULY 2005	11	CARRYING AMOUNT AS AT 1 JULY 2004	14
DEPRECIATION & AMORTISATION	(3)	DEPRECIATION & AMORTISATION	(3)
CARRYING AMOUNT AS AT 1 JULY 2006	7	CARRYING AMOUNT AS AT 1 JULY 2005	11

9 PAYABLES

	2006 \$'000	2005 \$'000
ACCOUNTS PAYABLE	50	46
ACCRUED EXPENSES	10	111
	60	157

10. PROVISIONS

CURRENT		
EMPLOYEE BENEFITS		
RECREATION LEAVE	97	73
LEAVE LOADING	14	13
OTHER EMPLOYEE BENEFITS	12	23
	123	109
TOTAL PROVISIONS	123	109

11. EQUITY

Equity represents the net deficiency in the Commission's liabilities over net assets. This deficiency in liabilities over assets is recorded in the Central Holding Authority as described in note 2(b).

	2006 \$'000	2005 \$'000
CAPITAL		
BALANCE AS AT 1 JULY	(87)	(6)
EQUITY WITHDRAWALS	(194)	(81)
BALANCE AS AT 30 JUNE	(281)	(87)
ACCUMULATED FUNDS		
BALANCE AS AT 1 JULY	47	116
SURPLUS /(DEFICIT) FOR THE PERIOD	115	(69)
BALANCE AS AT 30 JUNE	161	47
BALANCE OF EQUITY AT 30 JUNE	(120)	(41)

12. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF CASH

The totals of Agency Cash and Deposits of \$53,000 recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

RECONCILIATION OF NET SURPLUS/(DEFICIT) TO NET CASH FROM OPERATING ACTIVITIES

NET SURPLUS/(DEFICIT)	115	(69)
NON-CASH ITEMS		
DEPRECIATION AND AMORTISATION	3	3
CHANGES IN ASSETS AND LIABILITIES		
DECREASE/INCREASE IN RECEIVABLES	2	0
DECREASE/INCREASE IN PAYABLE	(97)	(47)
DECREASE/INCREASE IN PROVISION FOR EMPLOYEES BENEFITS	25	15
DECREASE/INCREASE IN OTHER PROVISIONS	(11)	11
NET CASH FROM OPERATING ACTIVITIES	37	(87)

13. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Northern Territory Electoral Commission include cash and deposits, receivables, payables and finance leases. The Commission has limited exposure to financial risks as discussed below.

a) CREDIT RISK

The Agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the Agency has adopted a policy of only

dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

b) NET FAIR VALUE

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. Where differences exist, these are not material.

c) INTEREST RATE RISK

The Commission is not exposed to interest rate risk as Agency financial assets and financial liabilities are non-interest bearing. Finance lease arrangements are established on a fixed interest rate and as such do not expose the Commission to interest rate risk. The Commission's exposure to interest rate risk and the average interest rate for classes of financial assets and financial liabilities is set out in the following tables. The average interest rate is based on the outstanding balance at the start of the year.

14. COMMITMENTS

As at reporting date the Commission did not have any commitments under the following categories:

- Capital expenditure commitments
- Non - Cancellable Operating Lease Expense Commitments
- Finance lease payment commitments
- Other Non – Cancellable Contract Commitments.

15. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Commission had no contingent liabilities or contingent assets as at 30 June 2005 or 30 June 2006.

16. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

17. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act*, an Accountable Officer's Trust Account has been established for the receipt of money to be held in trust. A summary of activity is shown below:

NATURE OF TRUST MONEY	OPENING BALANCE 1 JULY 2005	RECEIPTS	PAYMENTS	CLOSING BALANCE 30 JUNE 2006
SECURITY DEPOSITS	\$15,600	\$1,400	\$12,000	\$5,000
	\$15,600	\$1,400	\$12,000	\$5,000

18. WRITE OFFS, POSTPONEMENTS AND WAIVERS

The Commission had no write offs, postponements or waivers in 2004-05 and 2005-06.

19. SCHEDULE OF TERRITORY ITEMS

	2006 \$'000	2005 \$'000
TERRITORY INCOME AND EXPENSES		
INCOME		
OTHER INCOME (FINES)	27	0
TOTAL INCOME	27	0

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