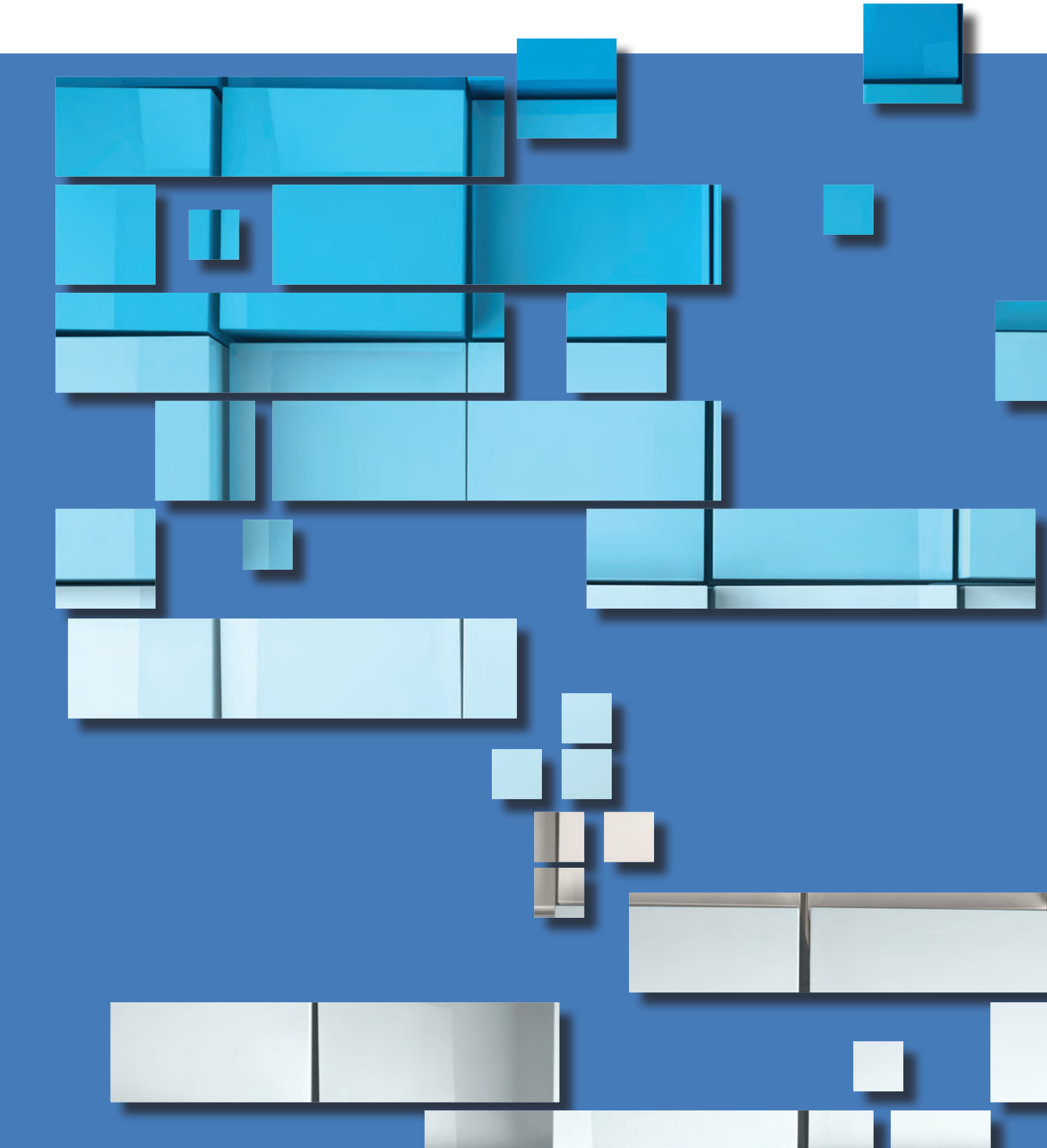


# Annual Report

2019-2020



Northern  
Territory  
Electoral  
Commission



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## GLOSSARY

AASB	Australian Accounting Standards Board
ABC	Australian Broadcasting Corporation
ADF	Australian Defence Force
AEC	Australian Electoral Commission
ALP	Australian Labor Party
AM	Member of the Order of Australia
AO	Order of Australia
AO (1-7)	Administrative Officer
AOTA	Accountable officer's trust account
ATO	Australian Taxation Office
CLP	Country Liberal Party
COMMISSIONER	NT Electoral Commissioner
COVID 19	2019 novel coronavirus
CRU	Continuous roll update
CSS	Commonwealth Superannuation Scheme
DCIS	Department of Corporate and Information Services
DIPL	(NT) Dept of Infrastructure, Planning and Logistics
DLGHCD	(NT) Department of Local Government, Housing and Community Development
DISCLOSURE	The disclosure of information to increase transparency and inform the public about the financial dealings of candidates, registered political parties, local branches/sub-party units and their associated entities, donors and other electoral participants
EA	Enterprise agreement
ECANZ	Electoral Council of Australia and New Zealand
eLAPPS	electronic Legislative Assembly Polling Place System
EMS	Election Management System
EVC	Early voting centre
FDEU	Federal direct enrolment update
FOI	Freedom of information
FOC	Free of charge
GST	Goods and services tax
HR	Human resources
ICT	Information and communication technology
IEPP	Indigenous electoral participation program

IPAA	Institute of Public Administration Australia
IT	Information technology
JOINT ROLL	The electoral roll or list of electors eligible to vote for Commonwealth, NT and local government elections
JRA	Joint roll arrangement
LA	Legislative Assembly
LG	Local Government
MLA	Member of the Legislative Assembly
NP	National partnership payments
NT	Northern Territory
NTEC	Northern Territory Electoral Commission
NTG	Northern Territory Government
NTGPASS	NT Govt Public Authorities Superannuation Scheme
NTLA	NT Legislative Assembly
NTPS	Northern Territory Public Service
NTTC	Northern Territory Treasury Corporation
OCI	Other continuous income
OCPE	Office of the Commissioner for Public Employment
QC	Queen's Counsel
QR14	2014 Quality Roll program
RAAF	Royal Australian Air Force
REDISTRIBUTION	A redistribution of NT Legislative Assembly boundaries Councils must review their structure and representation once each term to correct imbalances in elector numbers that develop over time between council wards. Adjustments are made to ensure all electors and communities have a fair say in council decision making.
REPRESENTATION REVIEWS	
RMANS	National Roll Management System
SAO	Senior Administrative Officer
SLA	Service level agreement
SMS	Short message service (text message)
SPP	Specific purpose payments
TA	Treasurer's Advance
TIGER	The Information Gateway to Electoral Resources (NTEC Election Management System)



The Hon N Ah Kit MLA  
Speaker  
Northern Territory Legislative Assembly  
Parliament House  
Darwin NT 0800

Madam Speaker

I am pleased to provide the Annual Report of the Northern Territory Electoral Commission for the 2019-2020 reporting year.

The report details the **Commission's** performance, key achievements and outlook for the year ending 30 June 2020. It was prepared in accordance with the *Public Sector Employment and Management Act 1993*, the *Financial Management Act 1995* and the *Information Act 2002*.

Additional copies have been provided for tabling in the Legislative Assembly within three sitting days after its receipt.

A handwritten signature in black ink, appearing to read 'Iain Loganathan', with a long horizontal flourish extending to the right.

Iain Loganathan  
Electoral Commissioner  
30 October 2020

## FOREWORD



The last four months of the reporting year were dominated by the COVID-19 pandemic and the changes it has wrought on the way we live, do business and engage with each other. Its significance has overshadowed many events that occurred before and during the pandemic.

However, in the first part of the reporting year the NTEC realised several major goals.

The extensive amendments to the *Electoral Act 2004*, particularly in the area of financial disclosure, were passed in September 2019. The financial reforms were instigated by recommendations of the 2018 Mansfield Report into political funding and donations in the NT.

The redistribution of NT electoral boundaries, a legislative requirement conducted every four years, was finalised and tabled in September 2019, to take effect at the August 2020 election. This has resulted in boundary changes to all but four divisions. Two divisions also have new names. Stuart in Central Australia is now Gwoja, recognising Aboriginal elder Gwoja Tjungarrayi, a survivor of the Coniston Massacre whose image is featured on the Australian \$2 coin. Nhulunbuy has been renamed Mulka, a Yolngu word for meeting place, which better reflects the division that now extends well beyond the town.

In February this year the NTEC for the first time conducted a Legislative Assembly and local government by-election on the same day – the Johnston and Lyons by-elections in Darwin – which were fortunately held just weeks before COVID-19 restrictions began. This meant the early voting centres, at Casuarina and the NTEC office in Mitchell Street, were able to provide voting services for both elections.

The Johnston by-election was also the first election in which new financial disclosure reporting requirements applied.

The risk to the population of COVID-19 has meant we have needed to find ways to safely conduct the 2020 Territory election in August. The NTEC worked closely with the NT Department of Health to establish necessary procedures for a safe and inclusive election.

In any election year, the NTEC has a particular challenge to improve the accuracy of the electoral roll. In 2020 this challenge was even greater, given the necessary restrictions to protect remote Territorians against COVID-19.

After the Biosecurity Zones were lifted in early June, the NTEC was able to deliver a delayed remote enrolment program ahead of the August election. However, an ongoing partnership with the Department of Local Government, Housing and Community Development means enrolment is part of the business-as-usual for the **department's** community engagement officers when they travel to remote communities.

We have been faced with a unique situation this year which has called for innovation and diligence.

Thank you to the NTEC staff and other NT government agencies for their commitment in 2019-20, especially to the task of preparing for a general election during a pandemic.

Iain Loganathan  
Electoral Commissioner  
30 October 2020

# AGENCY OVERVIEW

## PURPOSE, VISION, MISSION AND VALUES

The purpose of the Northern Territory Electoral Commission is to:

- provide quality electoral services to clients throughout the Northern Territory
- ensure the electoral system, especially the right to vote and to vote in secret, is fully accessible to all electors.

The NTEC's vision is to be widely recognised for its expertise and excellence in electoral administration.

The NTEC's mission is to provide independent, impartial, high quality and accessible electoral services that are effective, efficient and delivered in accordance with the law.

The NTEC's values are fundamental to achieving its goals. These are:

- integrity
- impartiality
- transparency and accountability
- commitment to high standards of service delivery
- commitment to continuous improvement
- respect for the law.

## OPERATING ENVIRONMENT

The Commission operates in an environment that includes:

- a small, culturally diverse, dispersed and mobile population
- a broad charter of electoral operations and corporate governance responsibilities
- a small permanent staff structure
- a requirement to modernise and implement best practice
- close working relationships with the Australian Electoral Commission (AEC), interstate electoral authorities and other organisations.

## STRATEGIC ISSUES

Key result areas set out in the Corporate Plan are:

- Enrolment
- Elections
- Public Awareness
- Corporate

## LEGISLATIVE BASE

The following Acts and Regulations are administered by the Commission:

- The *Electoral Act 2004* and Regulations under that Act.
- The *Referendums Act 1998* and Regulations under that Act.
- Electoral provisions contained in the *Local Government Act 2008* and the Local Government (Electoral) Regulations 2008.

From 23 April 2015, amended legislation gave councils the option to determine their service provider for the conduct of by-elections. General elections remain the responsibility of the Electoral Commissioner.

Under the *Constitutional Convention (Election) Act 2011*, the NTEC is charged with conducting any election for delegates to a constitutional convention to discuss statehood for the Northern Territory.

General and financial management of the *Constitutional Convention (Election) Act 2011* remains with the Department of the Legislative Assembly.

## AGENCY PURPOSE AND FUNCTIONS

The NTEC provides independent, impartial, quality and accessible electoral services to the people of the Northern Territory, the NT Legislative Assembly, local government municipal, regional and shire councils, and other organisations.

The **Commission's functions are prescribed under** section 309 of the *Electoral Act 2004* (the Act).

### Key responsibilities include:

- maintaining the joint electoral roll for both the NT Legislative Assembly (LA) and NT local government (LG) elections in partnership with the AEC
- managing parliamentary and non-parliamentary elections including local government and, on request, fee-for-service elections
- delivering electoral awareness and education programs to the public
- providing advice and reports relating to electoral matters to the LA
- conducting electoral research
- providing support to redistribution committees reviewing LA electoral boundaries and to representation review processes for local councils.

### NTEC activities include:

- developing and implementing enrolment stimulation strategies to improve roll quality and increase elector participation for LA and LG elections
- planning and implementing programs to conduct fixed term LA and LG general elections and periodic by-elections in the required timeframe and according to best practice principles
- developing and running programs for school students and the general public, including minority groups, to make them aware of their electoral rights and responsibilities
- supporting parliamentary electoral boundary redistributions and council representation reviews and, in conjunction with the AEC, coordinating and verifying changes on the electoral roll following the gazettal of changes
- fostering and nurturing inter-**agency relationships to support the NTEC's core** activities in an environment that demands specialist knowledge and impartiality in service delivery.

Since 23 May 2015, local government councils have had the option of their own running by-elections or appointing a third party provider to conduct them. To date, no council has opted to conduct a by-election themselves or appoint a third provider. The NTEC remains the prescribed provider of electoral services for LG general elections.

The Commission also conducts ballots for government and non-government organisations on a fee-for-service basis.

The NT Electoral Commissioner is the chief executive of the agency and an independent officer. Appointment to the position is by the Administrator following consultation by the responsible minister with the leader of each political party represented in the NT Legislative Assembly and all members of the Legislative Assembly who are not affiliated with a political party. The Commissioner also sits on the Redistribution Committee, which reviews and determines electoral boundaries for the NT Legislative Assembly.

## THE YEAR IN REVIEW

### ENROLMENT

- At 30 June 2020 there were 139,841 electors on the NT electoral roll.
- Of the total enrolment transactions processed, there were:
  - 10,132 additions to the roll, including 3,522 new enrolments
  - 666 re-enrolments
  - 11,959 changes of enrolled address within the NT
  - 5,941 transfers to the NT from interstate
  - 9,399 deletions, the majority (79%) for transfer of enrolment out of the NT.
- At 30 June 2020, the youth enrolment (18 to 24 years) participation rate was 62.9 per cent, compared to a national average of 85.8 per cent.
- A targeted social media campaign was implemented to stimulate enrolment activities prior to the Legislative Assembly division of Johnston by-election and City of Darwin Lyons ward by-election both held in February 2020.
- The electoral education and engagement working group continued to work towards implementing enrolment as part of business-as-usual practices for the Department of LGHCD community engagement staff when they visit remote communities.
- The NT Electoral Boundary Redistribution commenced in February 2019 and was completed in September 2019. The AEC reflected the new boundaries on the electoral roll in June 2020 in readiness for the August 2020 election.
- Due to the COVID-19 pandemic, **the start of the NTEC's** remote electoral awareness program was delayed by over ten weeks and only commenced mid-June.

### ELECTIONS

- In the reporting year there was one Legislative Assembly by-election and five council by-elections.
- Preparations for the 2020 Territory election escalated, including the recruitment of electoral staff.
- In all local government by-elections individual service level agreements were established outlining costs and agreed activities. These agreements enabled councils to provide resources such as staff, vehicles and advertising to offset the by-election costs should they choose to.
- There were six fee-for-service elections conducted, two enterprise bargaining agreements and four board elections.

### PUBLIC AWARENESS

- **The continued development and refinement of the NTEC's website, social media channels and digital platforms** were key tasks undertaken in preparation for the 2020 Territory Election.
- Social media and digital platforms were used extensively to promote the Johnston and Lyons ward by-elections. Digital platforms were also used as the primary channels to commence the roll out of the 2020 Territory Election campaign strategy.
- The branding redesign undertaken in the previous year, which featured a new colour palette, was **consolidated through the continued refinement, design and development of the agency's website, social media channels and products.**
- The NTEC website front page was redesigned to serve as the primary launch pad for information for the 2020 Territory Election.
- A total of 115 education sessions were conducted involving 3835 participants.
- The inaugural Alice Springs Democracy Dash, a civic engagement event for senior students, was conducted in September 2019. This was followed up by a second event in March 2020. A Darwin based Democracy Dash was held in September 2019.

## CORPORATE

In preparation for the 2020 election, the agency's full time staff numbers increased from 10 to 15. All additional staff members were placed on short term contracts were funded through the election appropriation.

- The Electoral Commissioner attended four meetings of the Electoral Council of Australia and New Zealand (ECANZ). Three meetings were attended face-to-face and one via video conferencing.
- Employee expenses **accounted for half of the agency's total expenditure.**
- The NTEC supported two new staff members to attend an ECANZ training workshop in Melbourne which provided an introduction into elections and their associated activities.
- All staff participated in several team-building workshops which established team management style profiles and ground rules for office interactions.

## COVID-19 ARRANGEMENTS

Preparations for the 2020 Territory Election have been significantly affected by the necessary requirements to safeguards against the COVID-19 pandemic.

**The Territory's borders** closed on 24 March 2020. Two days later the federal Minister for Health made a determination under the Commonwealth *Biosecurity Act* to restrict non-essential travel to remote communities in order to protect people who would be vulnerable to COVID-19.

These restrictions remained in place for nearly three months, delaying the delivery of face-to-face enrolment and education activities in remote areas, which eventually commenced 15 June 2020.

In addition, the Commonwealth department Services Australia (formerly the Department of Human Services) advised the Commission that due to their increased workload as a result of COVID-19, that unlike the 2016 election they would be unable to assist with the delivery of remote voting services.

The Commission developed a COVID-19 Management Plan for the election, as well as a number of supplementary procedural and guideline documents. These detailed the measures the agency used to mitigate any risks of spreading the disease, particularly to remote areas. These included, amongst others:

- a public awareness campaign to encourage electors to use postal and early voting services to prevent the congregation of people at voting centres on election day
- physical distancing measures at all voting centres (including mobile), with extra staff to be employed to assist with the enforcement of these
- hygiene measures (including single use pencils, plastic covers for voting screens, supply of hand sanitiser and extra cleaning) at all voting centres with extra staff to be employed to assist with the enforcement of these
- Clear safety screens to be erected at counting centres between counting staff and scrutineers
- planning for the safe delivery of voting services to electors residing in hospitals, prisons and aged care homes, was conducted in conjunction with the institutions and the Dept. of Health.

### ENROLMENT

- Undertake a roll quality review of remote area enrolment prior to the 2020 NT Legislative Assembly election.
- Analyse the impact of enrolment from the 2019 federal election.
- In consultation with the AEC and other NTG departments, develop ongoing partnerships with suitable service providers to provide electoral enrolment and education programs in remote communities.

### ELECTIONS

- **Conduct** the 2020 Territory Election in August.
  - Conduct NT local government (council) by-elections as requested.
  - Prepare for the 2021 NT Council elections
  - Conduct fee-for-service elections as requested.
- Submit the report on the conduct of the 2020 Johnston by-election and 2020 Territory Election with recommendations for procedural and legislative changes.

### PUBLIC AWARENESS

- Implement the 2020 Territory Election strategic communications plan.
- Develop and implement the 2021 NT Council elections strategic communications plan.
- Improve and expand education and community engagement functions, especially in Central Australia.
- Improve and expand education and electoral awareness in remote communities.
- Develop a whole of Territory communications strategy for NTEC public awareness activities.

### CORPORATE

- Monitor expenditure to ensure the agency is efficiently meeting its needs and outcomes.
- Undertake a review of the organisational functions, resources and structure to ensure it reflects the future direction and needs of the agency.
- Review and modernise the IT infrastructure that supports the election management system (EMS).
- Develop a new strategic plan.

## AGENCY FUNCTIONS

### ENROLMENT

#### OBJECTIVE

Contribute to the maintenance and security of a joint roll of eligible Northern Territory electors.

#### ROLL MAINTENANCE

The enrolment provisions of the *Commonwealth Electoral Act 1918* apply for Northern Territory purposes. Therefore, if an eligible person residing in the Territory is enrolled on the Commonwealth electoral roll, he or she is automatically enrolled for NT LA and NT LG elections. This is in accordance with the *Northern Territory (Self-Government) Act 1978*. Amendments to the *Electoral Act 2004*, in force at 2 March 2016, included an express provision regarding compulsory enrolment.

Section 20 of the *Electoral Act 2004* provides for the Administrator to enter into an arrangement with the Governor-General for the maintenance of the joint Northern Territory and Commonwealth electoral roll. The present arrangement has been in place since 1994. The roll is maintained by the AEC and provided to the NTEC on request, in accordance with the Joint Roll Arrangement (JRA).

#### ELECTORAL ROLL STATUS

During the reporting period, the Northern Territory electoral roll increased by a net 733 electors to a total of 139,841 as at 30 June 2020. The increase can, in part, be attributed to the regular federal direct enrolment updates and the enrolment activities in the lead-up to the 2020 Territory election.

**The Northern Territory's participation rate in relation to enrolment and voting** has averaged between 10 to 15 per cent below that of most interstate jurisdictions and the national average; this equates to approximately 25,000 eligible electors. This is due to the younger average age of the eligible population, the high level of mobility in the community, and the difficulties in maintaining the roll in remote areas of the Northern Territory where enrolment and voting rates are significantly lower than in urban areas.

Table 1: Estimated eligible voter participation on the electoral roll – 2012 to 2020

Participation rates 2012 to 2020 <sup>1</sup>			
Year	Area	% Total enrolment	% 18-25 years enrolment
2012	NT <sup>2</sup>	78.9	56.0
	National	90.6	73.0
2014	NT	80.8	60.8
	National	92.3	78.5
2016 <sup>3</sup>	NT	81.4	63.4
	National	93.9	87.0
2017	NT	82.7	64.5
	National	95.0	85.7
2018	NT	83.9	64.7
	National	96.3	86.9
2019	NT	84.3	66.4
	National	97.1	88.9
2020 <sup>4</sup>	NT	85.0	62.9
	National	96.5	85.8

<sup>1</sup> Electoral Management Information System, Australian Electoral Commission

<sup>2</sup> Figures from before close of roll (COR) for the 2012 NT General Election August

<sup>3</sup> Figures include the COR campaign for 2016 Federal Election

<sup>4</sup> Figures from before COR for 2020 NT Territory Election

The NTEC provides data from enrolment stimulation and review programs, as well as enrolment forms collected from the public in community settings and at elections, to the AEC for processing.

## DIRECT ENROLMENT

The Federal Direct Enrolment and Update (FDEU) program which commenced in the Northern Territory in February 2013, uses data from trusted third parties to identify electors who have moved or need to be enrolled. Electors identified through this process are sent a letter informing them that the AEC will enrol or update their enrolment unless the person replies with further information.

If the AEC has any doubt about the validity of information it is not to be applied to the roll. As the FDEU program depends on electors having a reliable mail address, the program does not operate in rural and remote areas of the Northern Territory, including Tennant Creek and Nhulunbuy.

Since 2013, the AEC has gained extensive experience in operating the program and has conducted several major reviews. The FDEU and the online enrolment service are now the top two sources of enrolment.

In October 2019, the National Enrolment Forum (NEF), of which the NTEC is a member, reviewed the operation of the FDEU program and identified priority areas for enhancement which include expanding the coverage of the program to include towns that do not receive daily mail delivery and some remote communities.

Due to COVID-19 the FDEU program was suspended for two months.

The following are statistics for FDEU processing within the NT from 1 July 2019 to 30 June 2020:

- 10,698 FDEU letters sent
- 10,115 people were enrolled as a result of letters sent
- 656 people provided a suitable reason as to why their enrolment should not be updated (a crossover between electors enrolling and the mailing of FDEU letters is responsible for the numbers not balancing)
- 197 enrolment actions cancelled due to other reasons, including updating their enrolment by other actions, death notifications and requests for further information not provided.

The AEC does not record statistics on enrolment reversals for people who respond too late to the FDEU letter or who have other reasons.

## ELECTORAL ROLL STIMULATION ACTIVITIES

In accordance with the JRA, the Commission seeks opportunities to contribute to the maintenance of the electoral roll by undertaking strategic enrolment stimulation activities. Enrolment programs are always held prior to major elections; however due to the COVID-19 pandemic planned remote enrolment and awareness programs had to be suspended for a few months.

In the time between elections, the NTEC maintains a consistent presence on social media and regularly posts enrolment related material. It also participates in public awareness opportunities such as the show circuit and defence expos when possible.

## ELECTORAL EDUCATION AND ENGAGEMENT WORKING GROUPS

In June 2018, Cabinet decision no. 748 established two inter-departmental working groups for electoral education and electoral engagement. These groups enable collaboration between a number of NTG agencies to address low electoral education, enrolment and voting rates in remote communities.

As a result, enrolment has now become a business-as-usual function for community engagement staff of the DLGHCD when visiting remote communities.

Due to the COVID-19 pandemic, their community engagement field work was suspended in remote areas while the declared biosecurity zones were in force, and resumed in mid-June 2020.

## DEFENCE ORIENTATION DAYS

The Australian Defence Force annually hosts expos in both Darwin and Katherine for personnel and families who are new to the Territory, to introduce them to services and recreational activities in their local areas. The NTEC attended both 'Welcome to the Top End' expos held at the Katherine YMCA on 1 February and at the Darwin Convention Centre on 8 February 2020.

Staff checked and updated **electors' enrolment details on the spot**, and also publicised the 2020 Territory Election, the February by-elections in Darwin and the boundary changes resulting from the 2019 NT Electoral Boundary Redistribution. This was particularly relevant for Tindal electors given that this suburb moved from the division of Katherine to the division of Arnhem in the redistribution.

*NTEC stand at Defence Expo in Darwin, February 2020*



## ALICE SPRINGS OFFICE (MYVOTE CENTRAL)

The NTEC continues its co-location arrangements with DLGHCD in Alice Springs. The department provides office space which enables **a closer working relationship with DLGHCD's community** engagement officers and NTEC employees.

## AUSTRALIAN ELECTORAL COMMISSION (AEC)

There are regular joint roll meetings with the AEC to discuss and share issues relating to the maintenance of the electoral roll and other common election issues affecting the NT.

## ENROLMENT STATISTICS: 2016-2020

Table 2: Enrolment transactions – additions, deletions, transfers and amendments to the NT roll

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Enrolment at 1 July	128,172	132,258	136,473	137,280	139,108
AMENDMENTS					
Transfers between divisions	11,214	9,434	11,276	10,582	8,390
Changes within divisions	4,500	4,823	4,808	4,821	3,569
Amendments to elector details	2,937	2,497	4,790	3,477	1,602
ADDITIONS					
New enrolments	5,069	4,869	3,948	4,637	3,522
Re-enrolments	2,208	2,225	1,177	1,302	666
Re-instatements	19	118	98	9	3
Interstate transfers to NT	10,334	7,552	8,222	9,236	5,941
<b>Total additions</b>	<b>+17,630</b>	<b>+14,764</b>	<b>+13,445</b>	<b>+15,184</b>	<b>+10,132</b>
DELETIONS					
Removals by objection	1,402	1,286	885	793	822
Deaths	811	919	834	770	823
Duplications	58	518	166	48	328
Cancellations	50	12	18	11	30
Interstate transfers from NT	11,223	7,814	10,735	12,094	7,396
<b>Total deletions</b>	<b>-13,544</b>	<b>-10,549</b>	<b>-12,638</b>	<b>-13,716</b>	<b>-9,399</b>
<b>Net increase/decrease</b>	<b>+4,086</b>	<b>+4,215</b>	<b>+807</b>	<b>+1,468</b>	<b>+733</b>
Enrolment at 30 June	132,258	136,473	137,280	138,748	139,841

### Notes

- New enrolments - all electors who enrolled for the first time.
- Re-enrolments - re-enrolling electors who previously had been enrolled.
- Re-instatements - the re-instatement of electors to the roll removed previously based on the receipt of new information that they still reside at their earlier enrolled address.
- Interstate transfers to NT - transfers of enrolment to a Northern Territory address from interstate.
- Interstate transfers from NT - electors previously enrolled in the Northern Territory transferring their enrolment to another jurisdiction.
- Transfers within NT - electors notifying a change of address to another Northern Territory LA division or within same division. Transfers within NT do not alter total enrolment.
- Amendments - changes to enrolment details other than name or enrolled address e.g. amendment to mail delivery address, council re-numbering of street addresses.
- Removed by objection - electors removed from the roll, generally on the ground that they are apparently no longer resident at their enrolled address.
- Duplications - removal of a duplicate entry on the roll due to an official error e.g. a transfer of enrolment not matched to an existing enrolment.
- Cancellations - removals of individuals from the electoral roll who have not maintained their eligibility status for enrolment under the Act.

Table 3: Enrolment by NT Legislative Assembly division – at 30 June 2020

Division		Division		Division	
Arafura	5,168	Drysdale	5,792	Namatjira	5,656
Araluen	5,671	Fannie Bay	5,440	Nelson	5,441
Arnhem	5,386	Fong Lim	5,525	Nightcliff	5,611
Barkly	5,557	Goyder	5,531	Port Darwin	5,571
Blain	5,631	Gwoja	5,284	Sanderson	5,463
Braitling	5,759	Johnston	5,541	Spillett	5,624
Brennan	5,756	Karama	5,446	Wanguri	6,063
Casuarina	5,655	Katherine	5,765	Total	139,841
Daly	5,561	Mulka	5,944		

### REDISTRIBUTION OF LEGISLATIVE ASSEMBLY BOUNDARIES

Redistributions of electoral boundaries are undertaken by independent committees in all Australian jurisdictions following general elections.

Section 138 of the *Electoral Act 2004*, requires a redistribution of NT Legislative Assembly divisions two years and six months after the last election.

The Redistribution Committee, comprised of the Electoral Commissioner, Auditor-General, Surveyor-General, and an appointed chairperson, commenced proceedings in late February 2019.

Main stages of 2019 NT Electoral Boundary Redistribution	Date
Invitation to public for written suggestions relating to redistribution	27 February – 29 March 2019
Suggestions received made publicly available	1 April 2019
Invitation to public to comment on suggestions received	1 – 15 April 2019
Publication of first proposed boundaries report with maps	15 May 2019
Invitation to public for objections to first proposed boundaries	15 May – 14 June 2019
Consideration by Redistribution Committee of objections received, further consultation with relevant stakeholders	June – July 2019
Publication of second proposed boundaries report with maps	31 July 2019
Invitation to public for objections to second proposed boundaries	31 July – 14 August 2019
Consideration of all objections received to second redistribution	August 2019
Declaration of final boundaries of LA divisions by <i>Gazette</i> notice, publication of final report and maps	4 September 2019
Tabling of report in Legislative Assembly by the Speaker	17 September 2019
Provision of hardcopy maps to stakeholders and the public on request	September 2019 onwards
Application of new boundaries to the electoral roll by the AEC	April – May 2020

The final boundaries and division names determined by the Redistribution Committee are to take effect at the next general election on 22 August 2020. The key changes that occurred as a result of the 2019 NT Electoral Boundary Redistribution were:

- Two division names were changed: the division of Nhulunbuy was renamed Mulka, and the division of Stuart was renamed Gwoja.
- **Gwoja's southern boundary** was extended to the South Australian border, but it lost areas near its northern and eastern boundaries.
- The remote and urban division of Namatjira contracted significantly in physical area, but now includes more urban electors in Alice Springs.
- The suburbs of Tindal (including the RAAF base) and Venn, formerly in the division of Katherine, were incorporated into the division of Arnhem.
- The division of Spillett significantly contracted towards Palmerston, with the majority of its Darwin areas being included in the division of Fong Lim. Part of Berrimah was added to the division of Karama.
- There were four divisions where boundaries were unchanged: Goyder, Mulka, Nelson, and Port Darwin.

Further information about all boundary changes, public consultation phases, methodology and data used **can be in found in the three redistribution reports available on the NTEC's website.**

The NTEC provided administrative and technical assistance to the Redistribution Committee. This included coordination of required data (enrolment numbers, projections), modelling scenarios using MapInfo and Boundary Maker software, arranging all public awareness activities (including advertising, media releases, *Gazette* notices, and website), the preparation and publication of reports and maps, and liaison with the AEC regarding the application of the new boundaries to the electoral roll in readiness for the 2020 Territory Election.

## REVIEWS OF REPRESENTATION BY COUNCILS

Local government in the Northern Territory comprises five municipal councils, nine regional councils, two community government councils, and one shire council.

Under the *Local Government Act 2008* and Local Government (Electoral) Regulations, a council must:

- review its structure with respect to electoral representation once in every four-year term
- consult with the NTEC during the process
- complete the review 12 months before the next general election.

All councils commenced their representation reviews during the first part of 2020 and were provided with enrolment data.

## SUPPLY OF ELECTORAL ROLL DATA

In accordance with the JRA, roll data was extracted from RMANS for the following:

- monthly updates of roll changes for supply to independent members of the NT Legislative Assembly and registered parties
- Alice Springs and Darwin jury lists
- Johnston by-election
- council by-elections
- enrolment drives during the Defence expos
- Tangentyere Council Town Camp roll review
- BreastScreenNT (on request)
- Your Voice, Your Community local government community engagement officer enrolment program.

## ELECTIONS

### OBJECTIVE

Conduct elections that are impartial, efficient, transparent and in accordance with the law.

### LEGISLATIVE CHANGE

The Electoral Legislation Further Amendment Bill passed by parliament in September 2019 included a number of financial and non-financial amendments to the *Electoral Act 2004*, to take effect on 1 January 2020.

Many of the increased financial disclosure requirements were introduced as a result of the Inquiry into Reform of Political Funding and Donations in the Northern Territory completed by Commissioner John Mansfield AM QC in 2018.

The new disclosure provisions applied to the Johnston by-election in February, 2020. The main amendments are summarised below, but full details of each requirement are contained in the Electoral Legislation Further Amendment Bill 2019.

### FINANCIAL AMENDMENTS

#### Electoral expenditure cap:

- an indexed \$40,000 cap on expenditure per seat for political parties and non-endorsed candidates, to be shared with associated entities
- excludes travel and accommodation expenses
- in an election year, applies from 1 January to 30 days after election day
- for by-elections, applies from the day the writ is issued to 30 days after election day
- no cap for third party campaigners.

#### Third party campaigners:

- defined as any person or entity (not a candidate) that incurs or expects to incur \$1,000 or more in political expenditure during the capped period
- must register with the NTEC
- must report on their financial expenditure.

#### Disclosure reporting:

- candidates and donors to provide annual financial year returns in non-election years
- in an election year, candidates, parties, associated entities and third party campaigners must submit the following returns on political donations:
  - two quarterly reports between 1 January and 30 June
  - a report prior to election day from the day after the writ is issued to 17 days after that
  - a post-election report from 18 days after the writ is issued to 30 days after election day
- all returns to be published on the NTEC web site.

#### Gifts and loans:

- need to be disclosed if they total more than \$200 to a candidate, or \$1,500 to a registered party, associated entity or third party campaigner (aggregation rules apply)
- gifts include in-kind support such as labour or professional services (value must be recorded), but exclude volunteer labour
- gifts exclude personal gifts made in a private capacity to a candidate for their personal use; disposition of property by will; annual party membership subscriptions
- sources of loans of \$1,500 or more to be disclosed.

#### Territory campaign account:

- candidates and registered parties must operate a separate bank account for NT electoral income and expenditure.

#### NON-FINANCIAL AMENDMENTS

##### Election timetable:

- extended by four days to a 24-day election period.

##### Enrolment savings provision:

- voting enabled for electors not on the roll, but found to be eligible to vote.

##### Nomination deposit:

- increased from \$200 to \$500. The deposit is returned to candidates who are elected, obtain first preference votes equal to or greater than 20 per cent of all first preference votes or withdraw their nomination.

##### Removing postal vote witness requirement:

- intended to decrease the number of votes rejected. Electors are still required to sign and declare they have voted before 6pm on election day.

##### Prohibition area:

- campaigning prohibited within 10 metres of the entrance to early voting centres and mobile voting sites
- campaigning is prohibited within 100 metres of election day voting centres, but in some cases, such as schools, the boundary may be extended to include the whole premises. In some election day voting centres, where appropriate, a designated campaign area may be created to allow limited campaigning.

##### Campaign material requirements:

- The funding source of campaign material, such as a political party or third party campaigner to be identified on campaign material.

##### Publishers and broadcasters:

- publishers and broadcasters are no longer required to lodge returns.

#### *Local Government Act and Local Government (Electoral) Regulations*

There were no legislative amendments to section 8 of the *Local Government Act 2008* or Local Government (Electoral) Regulations during the reporting period.

## NT LEGISLATIVE ASSEMBLY BY-ELECTION

The Member for Johnston, Ken Vowles (ALP) resigned from the NT Legislative Assembly on 28 November, 2019, effective 31 January 2020.

As this was more than six months before the next LA general election, **Mr Vowles'** resignation prompted a by-election. Election day was Saturday 29 February 2020.

Table 4: Johnston by-election

<b>Close of electoral roll</b>	5:00 pm, Friday 7 February, 2020	Number enrolled: 4,988
<b>Close of nominations</b>	12:00 noon, Thursday 13 February 2020	Number of nominations received: 7
<b>Election declared</b>	Monday 16 March 2020	
<b>Election costs</b>	\$153,300	

Candidates contesting the by-election were:

- Joel BOWDEN Australian Labor Party NT Branch (elected)
- Braedon EARLEY Ban Fracking Fix Crime Protect Water
- Aiya GOODRICH CARTTLING The Greens
- Trevor JENKINS Independent
- Steven KLOSE Territory Alliance
- George MAMOUZELLOS Independent
- Josh THOMAS Country Liberal Party of the Northern Territory

Australian Labor Party NT Branch candidate Joel Bowden was elected after a count of preferences.

## NT LEGISLATIVE ASSEMBLY GENERAL ELECTION

The next NT LA general election is scheduled for August 22, 2020. At 30 June, 2020, preparations for the election were well underway.

## NT LOCAL GOVERNMENT ELECTION

The next NT local government elections are scheduled for August 2021.

## NT LOCAL GOVERNMENT BY-ELECTIONS

2015 amendments to the *Local Government Act 2008* allow councils to conduct their own by-elections if a vacancy becomes available, or appoint an alternative provider.

During the reporting year there were five council vacancies. The NTEC was appointed to conduct all five by-elections, as well as the three supplementary elections held due to a lack of nominations in two wards of the Central Desert Regional Council.

Two elections were contested, in the Northern Tanami Ward of the Central Desert Regional Council and the Lyons Ward of the City of Darwin, which attracted 12 nominations.

Five elections failed due to a lack of nominations, including three failed attempts to hold an election for a councillor in the Akityarre Ward of the Central Desert Regional Council.

Table 5: Summary of NT local government by-elections conducted during 2019-2020

Council	Ward	Election day	Number of vacancies	Number of nominations	Contest
Central Desert	Northern Tanami	19 Sep 2019	1	2	Contested
Central Desert	Akityarre	19 Sep 2019	1	0	Failed
MacDonnell	Ljirapinta	26 Sep 2019	1	0	Failed
Central Desert	Akityarre	24 Oct 2019	1	0	Failed
MacDonnell	Ljirapinta	24 Oct 2019	1	1	Uncontested
City of Darwin	Lyons	29 Feb 2020	1	12	Contested
Central Desert	Akityarre	31 Mar 2020	1	0	Failed
MacDonnell	Rodinga	3 Apr 2020	1	0	Failed

### Central Desert Regional Council: Northern Tanami Ward Councillor

Notification of vacancy to NTEC: 24 May 2019

Table 6: Central Desert Regional Council by-election, Northern Tanami Ward

<b>Close of electoral roll</b>	5:00 pm, Wednesday 4 September, 2019	Number enrolled: 390
<b>Close of nominations</b>	12:00 noon, Monday 9 September, 2019	Number of nominations received: 2
<b>Election declared</b>	Wednesday 25 September, 2019	
<b>Election costs</b>	\$1724	

Candidates contesting the by-election were:

- Joe MARSHALL (elected)
- Steven MORTON

### Central Desert Regional Council: Akityarre Ward Councillor

Notification of vacancy to NTEC: 24 May 2019

Table 7: Central Desert Regional Council by-election, Akityarre Ward

<b>Close of electoral roll</b>	5:00 pm, Wednesday 4 September, 2019	Number enrolled: 253
<b>Close of nominations</b>	12:00 noon Monday 9 September 2019	Number of nominations received: 0
<b>Election declared</b>	Wednesday 25 September 2019	
<b>Election costs</b>	\$782	

As there was one vacancy and no nominations received, the election was not held and it was formally declared as failed.

### MacDonnell Regional Council, Ljirapinta Ward Councillor

Notification of vacancy to NTEC: 7 June 2019

Table 8: MacDonnell Regional Council by-election: Ljirapinta Ward

<b>Close of electoral roll</b>	5:00 pm, Wednesday 11 September 2019	Number enrolled: 682
<b>Close of nominations</b>	12:00 noon, Monday 16 September 2019	Number of nominations received: 0
<b>Election declared</b>	Wednesday 2 October 2019	
<b>Election costs</b>	\$893	

As there was one vacancy and no nominations received, the election was not held and it was formally declared as failed.

## Central Desert Regional Council: Akityarre Ward Councillor

Notification of vacancy to NTEC: 24 May 2019

Table 9: Central Desert Regional Council supplementary election: Akityarre Ward

<b>Close of electoral roll</b>	5:00 pm Wednesday 4 September 2019*	Number enrolled: 253
<b>Close of nominations</b>	12:00 noon Monday 14 October 2019	Number of nominations received: 0
<b>Election declared</b>	Monday 14 October 2019	
<b>Election costs</b>	\$782	

\*The electoral roll prepared for the failed election on 19 September 2019 was used for this supplementary election.

This was a supplementary election following the failed election in Akityarre Ward in September 2019. As there were no nominations received, the election was not held and it was formally declared as failed.

## MacDonnell Regional Council: Ljirapinta Ward Councillor

Notification of vacancy to NTEC: 7 June 2019

Table 10: MacDonnell Regional Council supplementary election: Ljirapinta Ward

<b>Close of electoral roll</b>	5:00 pm, Wednesday 11 September 2019*	Number enrolled: 682
<b>Close of nominations</b>	12:00 noon, Monday 14 October 2019	Number of nominations received: 1
<b>Election declared</b>	Monday 14 October 2019	
<b>Election costs</b>	\$893	

\*The electoral roll prepared for the failed election on 19 September 2019 was used for this supplementary election.

As there was one nomination for one vacancy, no election was held and Mark Inkamala was declared duly elected.

## Darwin City Council: Lyons Ward Councillor

Notification of vacancy to NTEC: 12 November 2020

Table 11: Darwin City Council by-election: Lyons Ward

<b>Close of electoral roll</b>	5:00 pm, Tuesday 11 February, 2020	Number enrolled: 14147
<b>Close of nominations</b>	12:00 noon, Thursday 13 February, 2020	Number of nominations received: 12
<b>Election declared</b>	Monday 9 March 2020	
<b>Election costs</b>	\$69,869	

As there were 12 nominations for the one vacancy, an election was held. Candidates contesting the election were:

- Sara ALEXOPOULOS
- Paul ARNOLD (elected)
- Pete HAYES
- Jack C HENDERSON
- Trevor JENKINS
- Robin LAWRENCE
- David MAGEEAN
- Carol PHAYER
- Carolyn REYNOLDS
- Amye UN
- Cheryl WATSON
- Eric WITHNAL

The Lyons Ward by-election was held on the same day as the Johnston by-election, Saturday 29 February. This is the first time the NEC has conducted a local government and a Legislative Assembly by-election on the same day.

## Central Desert Regional Council: Akityarre Ward Councillor

Notification of vacancy to NTEC: 24 May 2019

Table 12: Central Desert Regional Council supplementary election: Akityarre Ward

<b>Close of electoral roll</b>	5:00 pm Wednesday 4 September 2019*	<b>Number enrolled: 253</b>
<b>Close of nominations</b>	12:00 noon Friday 20 March 2020	<b>Number of nominations received: 0</b>
<b>Election declared</b>	Monday 23 March 2020	
<b>Election costs</b>	\$1,206	

\*The electoral roll prepared for the failed election on 19 September 2019 was used for this supplementary election.

This was a supplementary election following the failed election in Akityarre Ward in October 2019. As there were no nominations received, the election was not held and it was formally declared as failed.

## MacDonnell Regional Council: Rodinga Ward Councillor

Notification of vacancy to NTEC: 31 January 2020

Table 13: MacDonnell Regional Council by-election: Rodinga Ward

<b>Close of electoral roll</b>	5:00 pm, Wednesday 11 March 2020	<b>Number enrolled: 1109</b>
<b>Close of nominations</b>	12:00 noon, Friday 20 March 2020	<b>Number of nominations received: 0</b>
<b>Election declared</b>	Monday 23 March 2020	
<b>Election costs</b>	\$1,206	

As there was one vacancy and no nominations received, the election was not held and it was formally declared as failed.

## FEE-FOR-SERVICE ELECTIONS

Section 309(1)(h) of the *Electoral Act 2004* allows for a payment to provide electoral goods and services to persons or organisations, using information or material in its possession or expertise acquired in the exercise of its functions.

Fee-for-service elections are conducted for government, non-government and community agencies and organisations that require decisions to be made by ballot. This includes enterprise agreements, the selection of office holders and plebiscites.

These elections are charged at commercial rates, i.e. direct costs plus a 35 per cent management fee. The management fee is not charged when conducting elections for Northern Territory Government agencies.

Table 14: Fee-for-service elections (not including enterprise agreements) conducted 2019-2020

Date	Ballot	Number of electors		% Turnout
		Voters	Votes Rec'd	
02 Oct 2019	Australian Indigenous Doctors Association	296	296	100
5 Nov 2019	Danila Dilba Health Service	Uncontested		
9 Nov 2019	Islamic Society of Darwin	328	328	100
3 Dec 2019	Northern Land Council	90	90	100

Table 15: Enterprise agreement ballots conducted 2019-2020

Date	Enterprise Agreement	Number of electors		% Turnout
		Voters	Votes Rec'd	
13 Sep 2019	NTPS Aboriginal Health Practitioner 2018-2022	81	54	66.6
13 Sep 2019	NTPS Correctional Officer 2017-2021	512	317	61.9

Table 16: Revenue earned from fee-for-service elections: 2014-2015 – 2019-2020

2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
\$67,346*	\$7,336	\$9,095	\$5,274	\$25,603	\$27,215	\$5,438

\*Includes the conduct of two postal NTPS enterprise agreements

#### ASSISTANCE FOR INTER-JURISDICTION ELECTIONS

The NTEC provides voting services, on request, for interstate electors visiting the Northern Territory. However, inter-jurisdictional support was not required during the reporting period.

#### PARTY REGISTRATION

At 30 June 2020, there were eight political parties registered in the Northern Territory.

During the reporting year, two new parties were registered; Territory Alliance and the Animal Justice Party. Two parties applied to change their name; Australian Country Party became the Federation Party Northern Territory and 1 Territory Party became Ban Fracking Fix Crime Protect Water. In addition, the Citizen Electoral Council de-registered in May 2020.

Table 17: Registered political parties in the Northern Territory 2019-2020

Political party	Date of registration
Animal Justice Party	11 March 2020
Australian Labor Party NT Branch	18 April 2005
Ban Fracking Fix Crime Protect Water*	18 November 2015
Country Liberal Party of the Northern Territory**	30 March 2005
Federation Party Northern Territory***	27 February 2019
NT Greens	23 March 2005
Shooters and Fishers Party	27 February 2015
Territory Alliance	20 November 2019

\* Formerly 1 Territory Party

\*\* Formerly Northern Territory Country Liberal Party

\*\*\*Formerly Australian Country Party

## DISCLOSURE AND COMPLIANCE REVIEW

Compliance reviews were conducted by accounting firm BDO (NT) for political disclosure returns submitted for the 2018-2019 financial year and Johnston by-election financial reporting period.

The compliance review for the Johnston by-election was not completed by 30 June, but findings from the review will be detailed in the Johnston by-election report.

**The review of parties' and candidates' returns for the 2018-19 financial year** found that there had been no improvements in the accuracy of political party and branch returns when compared to previous reporting years:

*With the exception of two political parties, all other political parties complied with Section 205 of the NTEA as they lodged the 2018/19 annual disclosure returns with the NTEC within 16 weeks after the end of the financial year.*

*In comparison to the previous year, there has not been any incremental level of improvements in the accuracy of political party returns. We note that there are still some concerns on how some political parties compile the information which is included in the returns.*

*In relation to donors, the level of compliance with the NTEA could be improved as we noted a number of donors who were yet to lodge their returns. The NTEC could also consider revising upwards the minimum threshold for donation reporting so as to ensure that the likely benefit of this process is comparable to the cost of enforcement undertaken.<sup>1</sup>*

## PUBLIC AWARENESS

### OBJECTIVE

A community that is well informed about its electoral rights, responsibilities, processes and available services.

### WEBSITE

After a changeover to the new content management system Squiz Matrix in 2018, website updates have continued.

The Commission introduced a web governance platform, Monsido. This assists the web content manager to improve the efficiency and quality of the website through the automated platform. Weekly status reports provide up-to-date information on **the health and accessibility of the agency's website**.

The 2020 Territory Election site is contained within the main website and provides a number of information pages relevant to the election. The website featured the election on its landing page from June 2020.

During the reporting year, 45,428 new visitors were identified and 11,705 were returning visitors. A spike in usage occurred during February and March 2020 due to the City of Darwin Lyons Ward and LA division of Johnston by-elections held on 29 February.

Historical election data is gradually being added to the site and legislative updates are also included.

### SOCIAL MEDIA

The Commission opened an Instagram account in February 2020 to add to its current social media platforms, Facebook, Twitter and YouTube, to communicate with stakeholders. Snapchat is also being investigated as a tool to reach younger eligible voters, who continue to record the lowest rate of enrolment.

Targeted Facebook posts were used for both the Johnston and Lyons by-elections to promote enrolment and election information. Audiences were targeted according to age and location.

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<sup>1</sup> Taziwa, C. (2020) *Compliance Review of Political Disclosure in relation to the year ended 30 June 2019*, BDO, Darwin. p.5

Short videos continued to attract the highest engagement. Eight paid posts on Facebook were used to inform and motivate electors for both the Johnston and Lyons by-elections. The posts were targeted to all eligible voters living in the relevant electorates. Facebook statistics recorded a total reach of 91,680 with a total engagement of 13,514. Three short videos which were 'calls to vote' from the Commissioner, were watched fully by more than 5,000 people.

The 2020 Territory Election social media campaign began on 19 May 2020, consisting of organic posts and paid advertising.

The campaign was planned in three phases centred on awareness, education and calls to action: check your enrolment, enrol now and voting. Up until 30 June, 2020 the campaign concentrated on awareness of the 2020 Territory Election and encouraging people to check their enrolment details or to enrol to vote.

Targeted advertisements in eight Aboriginal languages and English resulted in 9,094 clicks on the link to the NTEC website and 1,060 other types of engagement including 245 post shares. Most engagement came from advertisements in English and Northern Kriol.

## PUBLIC AWARENESS FOR THE 2019 NT ELECTORAL BOUNDARY REDISTRIBUTION

In addition to the secretariat services provided by the NT Electoral Commission for the 2019 NT Electoral Boundary Redistribution, the NTEC's public awareness team also provided the following assistance:

- producing and booking statutory advertising and gazettal notices
- general promotion of the redistribution including public consultation phases and release of reports through social media, other media, show circuit etc.
- maintaining a mailing list of stakeholders (of about 250 email addresses including Aboriginal organisations, councils, media, MLAs, parties and individuals)
- building and maintaining a redistribution website
- production and publication of three redistribution reports
- printing and circulation of maps.

## NT SHOW CIRCUIT

Throughout July 2019 stalls providing information on enrolment and election services were set up at the Alice Springs, Tennant Creek, Katherine and Darwin shows. Electors were able to check their enrolment and update or enrol for the first time, while at the stall. Information about the redistribution and large scale maps showing the first proposed boundaries of the NT Electoral Boundary Redistribution were also on display, as well as promotional material for the 2020 Territory Election.

## EDUCATION AND ENGAGEMENT

### SCHOOL AND COMMUNITY VISITS

The NTEC has a full suite of school education programs that directly link to the Australian Curriculum for Civics and Citizenship for the following year levels:

- Years 3 and 4
- Years 5 and 6
- Year 7
- Years 8 and 9
- Stage 1 and 2 Legal Studies (Years 10 – 12).

**There is also a generalised 'future voters'** program tailored to students in Years 10, 11 and 12, as well as programs specifically designed for Aboriginal students in remote schools where English is not their first language. All the education programs can be delivered face-to-face or teachers can access a range of resources across each year group **provided on the Commission's website** to run these programs themselves.

The NTEC also promotes a service to conduct student representative or house captain elections (or similar) for schools, or the provision of voting materials such as ballot boxes and voting screens. During 2019-2020 seven school elections involving more than 1,100 voters were conducted, while two schools borrowed materials to run their own elections.

Education programs are also available to adults and community groups, and there is a customised program for adults for whom English is a second language.

A new short program, *2020 Territory Election: a quick guide*, was developed for adults to familiarise them with the preferential system of counting votes and to provide information about the 2020 Territory Election. This was to be rolled out (initially targeting public servants) from March, but COVID-19 restrictions put this program on hold.

Also, from mid-March, face-to-face delivery of education programs ceased due to COVID-19 restrictions and consequently 20 booked education sessions involving approximately 650 school students and adults were cancelled or postponed from March until May.

Educational programs for school students re-commenced in late May, but the programs were delivered in schools only.

Table 20 shows the numbers of participants in the NTEC's electoral education programs for 2019-2020. The table does not include statistics for engagement events such as shows, expos and conferences.

Table 18: Electoral education sessions 2018-2019 and 2019-2020

Group	Number of sessions 2018-2019	Number of participants 2018-2019	Number of sessions 2019-2020	Number of participants 2019-2020
Darwin/Palmerston/rural area schools	72	2,379	79	2,003
Regional schools	11	379	11	263
Remote schools	2	26	4	77
Adult groups	6	88	5	87
ESL adult groups	8	200	6	65
School elections	4	858	7	1,139
Democracy Dash	2	91	3	201
Other	2	34	0	0
<b>Total</b>	<b>107</b>	<b>4,055</b>	<b>115</b>	<b>3,835</b>

## DEMOCRACY DASH

Democracy Dash is now an annual event open to school students in Years 9 -12 to enhance their learning of Civics and Citizenship or Legal Studies, with a particular emphasis on democracy. Its structure is similar to a scavenger hunt where teams of up to 10 students 'dash' across the city centre, visiting organisations whose work contributes to one or more of the four main elements of democracy: rights and freedoms, rule of law, majority rule, and democratic elections. At each stop, students must complete an activity to learn more about that organisation. A modified version of Democracy Dash can be held at a school with the same organisations setting up in various locations across the school grounds to run the same or similar activities.

## Students and teachers receiving instructions before the start of the Democracy Dash in Alice Springs



In the reporting year, three Democracy Dash events were held including an inaugural Alice Springs dash in September 2019. A second Alice Springs event was held in March 2020, which was to be the first of four events to be held over the 2020 calendar year. However, the need for restrictions due to COVID-19 temporarily halted the program. An inaugural Dash in Katherine was to occur in May, with two Darwin events scheduled for June and September. The Katherine event has been postponed until 2021 although a single Darwin event for 2020 is still planned for September.

In addition to the NTEC, the following organisations participated in the Democracy Dash events during the reporting year (usually capped at 10 stops for each event):

- ABC
- Aboriginal interpreter Service
- Alice Springs Local Court
- Alice Plaza
- Alice Springs Town Council
- Amnesty International
- City of Darwin
- Department of Chief Minister
- NT Anti-Discrimination Commission
- NT Legal Aid Commission
- NT Legislative Assembly (Parliamentary Education Services)
- NT Police
- NT Supreme Court
- The Residency (Heritage Alice Springs)

## REPORTS AND PUBLICATIONS

- Annual Report 2018-2019 - tabled 31 October 2019
- 2019 NT Electoral Boundary Redistribution - Second proposed boundaries report, 31 July 2019
- 2019 NT Electoral Boundary Redistribution - Report on redistribution of the Northern Territory into divisions, 4 September 2019
- Submission to the Economic Policy Scrutiny Committee regarding the Electoral Legislation Further Amendment Bill 2019, 24 July 2019

## PUBLIC AWARENESS TARGETS FOR 2020-2021

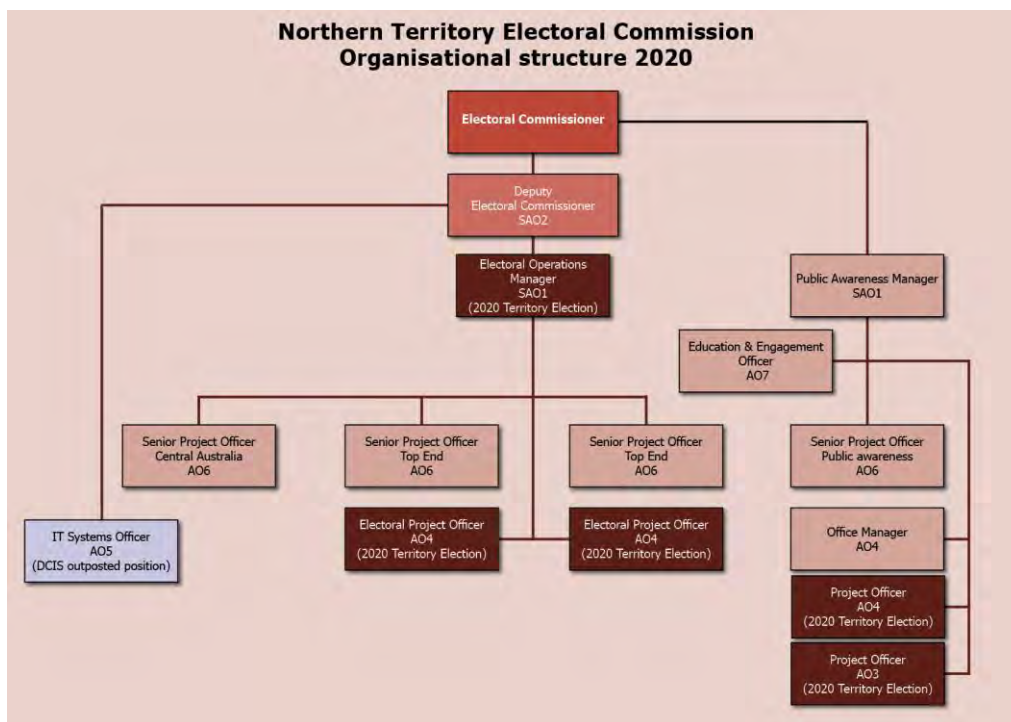
- Successfully implement the 2020 Territory Election strategic communication plan.
- Continue publication of the 2020 Territory Election website.
- Update the NTEC website and investigate the development of an online disclosure system.
- Develop and implement the 2021 NT Council elections communication plan.
- Continue delivery of electoral education sessions.
- Develop a sustainable communications strategy to maintain electoral education and awareness in remote communities in the Northern Territory.
- **Continue to build the NTEC's reputation in the community through the development** of strong stakeholder partnerships.
- **Continue to develop the NTEC's social media engagement through various appropriate platforms.**
- Produce a business case for the NTEC to gain access to the Emergency Alert mobile phone system for the purpose of communicating with remote voters during elections.

## CORPORATE

### OBJECTIVE

An operating environment that features continuous improvement, is open and supportive of staff, promotes professional growth, mutual respect and recognition of achievements.

### ORGANISATIONAL STRUCTURE AS AT 30 JUNE 2020



## THE ORGANISATION

### Darwin office

The Darwin office has a full-time complement of 15, including one external contracted staff member. As a result of the 2019 Machinery of Government changes, the NTEC transferred its IT Systems Officer (A05) and Business Manager (A06) positions to DCIS.

### Alice Springs office

The NTEC presence in Alice Springs continued with one staff member co-located with DLGHCD. This arrangement concluded in February when the staff member left the agency. In June, a temporary office in the town centre was opened for the 2020 Territory Election. The additional staff located there were short term contract staff engaged for the election.

Table 21: Core staff profiles 2015 – 2020

Designation	Number of staff at 30 June					
	2015	2016	2017	2018	2019	2020
Executive Contract Officer 3	1	1	1	1	1	1
SAO 2	1	1	1	1	1	1
SAO 1	2	2	2	1	1	2
Administrative Officer 7	0	0	1	1	1	1
Administrative Officer 6	6	5	4	3	4	4
Administrative Officer 5	0	1	0	0	1	1
Administrative Officer 4	1	1	1	0	0	4
Administrative Officer 3	1	2	2	2	1	0
Administrative Officer 2	1	0	0	0	0	1
Administrative Officer 1	0	0	0	0	0	0
<b>Total</b>	<b>13 FTE</b>	<b>13 FTE</b>	<b>12 FTE</b>	<b>9 FTE</b>	<b>10 FTE</b>	<b>15FTE</b>

### Business management

There is one internal position that is responsible for the processing of business management functions of the agency. This positions assists in the processing of in-house financial matters including budgeting and corporate services. The Department of Corporate and Information Services (DCIS) undertakes the overall management of the business functions of the agency.

**The IT systems officer manages the agency's IT functions** with assistance from DCIS.

Assistance from other NT government agencies for business management functions is mainly provided by:

- DCIS the for ITC, HR, payroll, procurement, property and recruitment support
- Department of Treasury and Finance for financial matters.

### STAFF DEVELOPMENT AND RECOGNITION

Staff members attended the following development opportunities in 2019-2020:

- ECANZ and Electoral Regulation Research Network conferences
- Introduction to Electoral Administration (run by ECANZ)
- NTG finance and records management systems
- Fire warden training
- Articulate (e-learning module)
- MyLearning Platform (provided by Department of Health)
- Team Management Systems (all staff)

### STAFFING

In 2019-2020, employee expenses were approximately \$2 million, which was 53 per cent of the total expenditure for the year.

Ongoing employee expenses are met from the annual appropriation with separate arrangements made for staff employed for by-elections, project work and secondments. In the years of major elections additional staff expenses are met from election budgets.

## NATIONAL REPRESENTATION

The Electoral Council of Australia and New Zealand (ECANZ) is a consultative council of electoral commissions from the electoral authorities of the Commonwealth, states and territories and New Zealand. The council met four times in 2019-2020 with the NT Electoral Commissioner attending all meetings. Matters discussed at these meetings included protocols of engagement with social media companies and the later the impact of COVID-19 on elections, and the sharing of risk management strategies and measures.

## AGENCY MANAGEMENT AND REPORTING

### Report under Section 18 of the Public Sector Employment and Management Act

DCIS and OCPE provide advice on the application of HR legislation, instructions, guidelines and the implementation of the relevant HR policies, practices, terms and conditions under NTG employment terms and conditions.

Annual reporting is required to the Commissioner for Public Employment in relation to compliance with the prescribed NTPS principles of human resource management.

### Equal opportunity

All appointments to positions are made in accordance with merit principles and, for election casuals, following review of any previous assessments recorded in the election management system.

All staff, including temporarily employed office casuals and electoral officials, are required to sign an undertaking that they are not a member of a political party or active in political affairs, and that they will retain this status during the period of their employment.

### Equity and diversity

Staff are recruited based on their capacity to communicate and interact with the many and diverse communities of the Northern Territory and deal sensitively and respectfully with issues presented by gender, language, ethnicity, disadvantage or any physical or other impairment.

Election positions for both urban and remote locations are filled on the basis of the ability to deal with all voters fairly, courteously and without discrimination.

### Freedom of information (FOI) requests

There were no FOI requests to the Commission in 2019-2020.

### Work Health and Safety (WHS)

The *Work Health and Safety (National Uniform Legislation) Act* sets out the national WHS obligations for employers and employees and stipulates duties of care of employers and employees in relation to WHS.

The Commission assesses accommodation, travel arrangements and electoral programs to ensure compliance. It **stipulates written adherence to voting premises' requirements** by responsible officers with reminders of the stipulations in face-to-face training sessions.

No reportable safety issues were recorded during the year.

### Insurance reporting

Over the course of 2019-20 no self-insurance claims were made. Mitigation strategies were in place to reduce the insurable risk arising from agency operations. The agency complies with instructions as set out in the Accounting and Property Manual, which contains sections relating to insurance and litigation matters.

Drivers of Commission vehicles are required to operate them according to guidelines set out in the NT Fleet handbook.

## Service Level Agreements (SLAs)

The Commission outlines its objectives and services when conducting elections through SLAs that define the service level commitments to stakeholders. These include the key performance indicators that are used to evaluate election outcomes and they provide a basis for determining recommendations to improve electoral practices.

**SLAs demonstrate the Commission’s accountability and enhance operational transparency. They should also assist stakeholders (voters, candidates, councils and the media) with their election preparations and determine their expectations of, and interactions with, the Commission.**

## AUDITS

The Auditor–**General’s office** conducted the Agency Compliance Audit in February 2020. There were no material issues arising from the audit.

## 2015-2019 CORPORATE PLAN

The 2015-2019 Corporate Plan was released on 1 July 2015. A summary of the objectives, strategies and performance measures for the four core business areas are provided below. There is ongoing redevelopment of procedures and systems to assist in providing better services in elections and to provide enhanced reporting and monitoring abilities.

### Enrolment

Contribute to the maintenance and security of a joint roll of eligible Northern Territory electors.

Strategies	Performance measures
Maintain an efficient and effective joint electoral roll with the AEC.	<ul style="list-style-type: none"> <li>• An increase in the number of eligible electors correctly enrolled in the Territory.</li> <li>• Number of enrolment transactions and other information collected from enrolment activities.</li> <li>• Percentage of requests where accurate roll data was provided in a timely manner.</li> <li>• Level of compliance with commitments detailed in service level agreements with the AEC.</li> <li>• Timely and thorough redistribution data requests to the AEC.</li> <li>• Redistribution data, that is quality assured, loaded into the national roll management database (RMANS).</li> </ul>
Undertake regular research to identify activities to complement Continuous Roll Update (CRU) and Federal Direct Enrolment Update (FDEU).	
Develop and implement enrolment stimulation activities and initiatives and participate in joint programs and workshops with the AEC.	
Monitor enrolment performance in terms of completeness, accuracy and the timely update of the electoral roll.	
Provide support to Redistribution Committees and effect changes following final boundary determinations from the Committee and other sources.	
Provide roll data within legislative requirements.	

### Elections

Conduct elections that are impartial, efficient, transparent and in accordance with the law.

Strategies	Performance measures
Provide best practice in conducting government and non-government elections.	<ul style="list-style-type: none"> <li>• Number of disputed returns upheld due to administrative error.</li> <li>• Percentage of elections not conducted within statutory or required deadlines.</li> <li>• Cost of elections (actual v estimate).</li> <li>• Voter participation and informality rates.</li> <li>• Feedback received from client surveys on elections conducted.</li> <li>• Election based management system meets business requirements.</li> </ul>
Develop and maintain election policies, procedures and processes.	
Enhance our knowledge of the needs of our diverse client base to customise electoral services.	
Develop, review and maintain an election based management system.	

## Public awareness

A community that is well informed about its electoral rights, responsibilities, processes and available services.

Strategies	Performance measures
Conduct targeted advertising/publicity campaigns.	<ul style="list-style-type: none"><li>• Number and effectiveness of advertising/publicity campaigns.</li><li>• Number of schools visited and students attending sessions.</li><li>• Level of elector participation and satisfaction.</li><li>• Level and nature of informality.</li><li>• Number and nature of transactions logged on the NTEC website.</li><li>• Number of reports and publications produced (actual v targeted).</li></ul>
Develop and deliver electoral education and information programs and services.	
Maintain and improve school based education programs	
Conduct electoral research to improve service and participation at electoral events.	
<b>Coordinate the NTEC's public reporting.</b>	
Undertake public awareness strategic planning for the 2020 LA general election and the 2021 NT Council elections.	
Develop and implement a revised advertising campaign.	

## Corporate

An operating environment that features continuous improvement, is open and supportive of staff, promotes professional growth, mutual respect and recognition of achievements.

Strategies	Performance measures
Review and change the organisational structure to better meet the strategic challenges of the NTEC.	<ul style="list-style-type: none"><li>• Number of policies reviewed to ensure they meet current business and public sector requirements.</li><li>• Number of system enhancements made (actual vs targeted).</li><li>• Improved staff responses in future staff surveys.</li><li>• Level of participation in staff development opportunities.</li><li>• Number of events held to celebrate staff achievements.</li></ul>
Document and implement policies and procedures that uphold the business requirements of the NTEC, the Northern Territory Public Service and relevant legislation.	
Maintain and enhance IT systems, an agency website and infrastructure that maximise the efficiency and <b>effectiveness of the Commission's activities.</b>	
Foster the professional development and expertise of staff.	
Recognise and celebrate the contribution of individuals and the team.	

## NTEC OFFICE PREMISES

### Darwin

When not required for major elections, the **Commission's conference room, the Boyd Room**, is available to other government agencies for training and workshop purposes. During 2019-20 the Boyd Room was used for a total of 25 days by OCPE, DCIS, Department of Health and the Education Department. The Boyd Room was not available to other agencies from 1 January to prepare for the Johnston by-election and the 2020 Territory Election.

### Alice Springs

In preparation for the 2020 Territory Election, an office was opened in the old ANZ building in Alice Springs on 15 June.

As at 30 June 2020, the office had two full-time staff and three part-time or casual staff. The office has dealt with enrolment and voting enquiries and will serve as an early voting centre.

## INFORMATION AND COMMUNICATION TECHNOLOGIES (ICT)

### Provision of services by DCIS and external ICT providers

Digital services are provided to NTEC by the Department of Corporate and Information Services. This support includes all infrastructure, cyber security, and management of ICT and end user computing needs.

Whole of government contracts determine providers for most telecommunications, hardware, generic software and helpdesk support. Specific agency hardware and software requirements are assessed on an **'as need' basis. Procurement of** such items is carefully considered, as uncontracted purchases are not supported by NTG or covered by established safeguards and procedures.

### Hardware

Onsite stocktakes of end user assets ensured surplus devices were returned as the agencies requirements changed throughout the year.

Non-essential telephone handsets and Telstra connections, including fax services, were decommissioned.

Additional hardware required specifically for the 2020 Territory Election was provided via an election specific project which the DCIS Project Management Office was engaged to manage.

### Software

**Minor enhancements were made to the NTEC's electronic mark off system (eLAPPS) to accommodate the** concurrent running of the Johnston and Lyons by-elections. The use of eLAPPS at both by-elections significantly reduced operational costs.

**An upgraded version of the NTEC's fee-for-service voting system** Netvote was procured. The upgraded system allows NTEC to meet its cyber security requirements and expand electronic fee-for-service elections to accommodate preferential voting.

**Significant enhancements were made to TIGER, the Commission's election management system,** throughout 2019-2020. These included major modifications to accommodate the processing and control of financial disclosure information, along with other developments to ensure agency compliance with the *Electoral Act 2004*.

NTEC met its commitments in making non-sensitive data freely and publicly available to encourage innovation in the Territory and support the entrepreneurial use of data. Datasets in relation to the finalisation of the 2019 NT Electoral Boundary Redistribution and elector movement across the Territory were published.

## TARGETS 2020-2021

- Review the organisational structure of the agency.
- Develop a new strategic plan.
- Develop a new corporate plan.
- Commence work to move the election management system to a new platform.
- Continue working towards full transition to electronic records management, using the new standardised BCS.
- Finalise and implement separate Service Level Agreements for 17 councils for the 2021 NT Council elections.

## FINANCIAL PERFORMANCE

### NTEC funding arrangements

The NTEC is funded through an annual appropriation from Treasury. Additional revenue is received by the Commission through the charging of a 15 per cent corporate overhead for conducting council by-elections and 35 per cent corporate overhead for fee-for-service elections.

Funding for specific events is undertaken as follows:

- NT Legislative Assembly elections and by-elections – **through a Treasurer’s Advance (TA)**. Traditionally the Commission received reimbursement through a TA after the election occurred and when all expenses had been received. In recent years, only the difference between advance funding and final actual costs is recouped through a TA
- local government by-elections – from individual councils with a 15 per cent corporate overhead applied
- LA electoral boundary redistributions – **through a Treasurer’s Advance**
- major initiatives, e.g. business specific software developments approved by Cabinet, are met by a **Treasurer’s Advance**
- fee-for-service elections – conducted at NTEC commercial rates including a 35 per cent corporate overhead
- NTPS enterprise agreement (EA) ballots – funding provided by the department on a marginal cost recovery basis.

In a non-election year major outgoing expenditure is attributed to staffing, property, IT, DCIS Free of Charge (FOC) notional expenses, and payments to the AEC for maintenance of the NT electoral roll under the JRA. The annual appropriation budget supports:

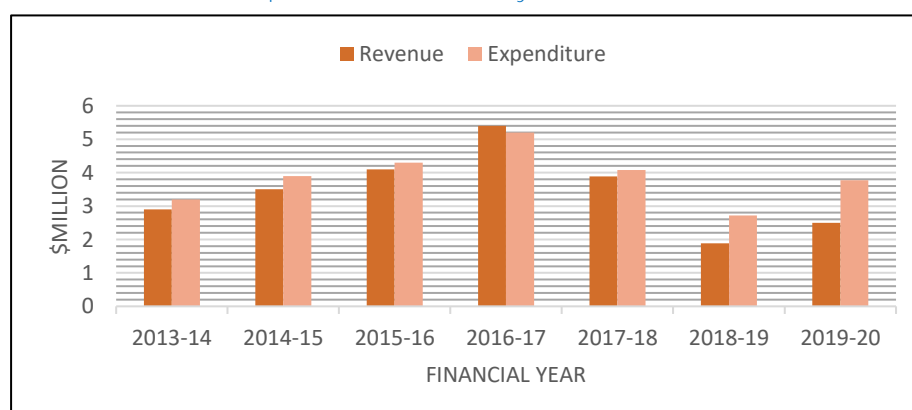
- the head office (Darwin) and a co-located staff member based in Alice Springs
- salaries for staff and one executive contract officer
- enrolment, election, public awareness and corporate governance functions
- the payment of approximately \$0.117 million for annual JRA costs.

### Historical revenue and expenditure variations

The following graph shows revenue and expenditure fluctuations over the last few financial years. The major costs for each year can be explained as follows:

- 2014-2015 – the conduct of the QR14 enrolment program and the commencement of the 2015 redistribution
- 2015-2016 – finalisation of the 2015 redistribution, pre-NT LA election expenditure
- 2016-2017 – the conduct of the 2016 NT Legislative Assembly election
- 2017-2018 – the conduct of the 2017 NT Council elections and 2018 City of Palmerston election.
- 2018-2019 – conduct of the 2019 NT Electoral Boundary Redistribution
- 2019-2020 – finalisation of the 2019 redistribution and pre-2020 Territory Election expenditure.

Graph 1: NTEC revenue versus expenditure – financial years 2013-2014 to 2019-2020



## 2019 - 2020 outcomes

The NTEC's appropriation for 2019-2020 was \$2.498 million, which includes \$1 million for preparation costs for the 2020 Territory Election.

Total actual expenditure (including depreciation and amortisation) for the 2019-2020 financial year amounted to \$3.773 million. Included in this was \$2 million in staff costs, \$0.907 million for administrative expenses and \$0.724 million for goods and services received free of charge (the latter funded through DCIS). The agency recorded a \$0.470 million deficit.

No reimbursement was sought for the \$0.153 million expended for the Johnston by-election nor the \$70,000 expended on the NT Electoral Boundary Redistribution in 2019-20.

## Revenue from local government by-elections and fee-for-service elections

Changes to the *Local Government Act* in 2015 allows councils to conduct their own by-elections if a vacancy becomes available, or appoint an alternative provider. During the reporting year, there were five council vacancies and the NTEC was appointed to conduct all five by-elections and three supplementary elections. These generated \$77,355 in revenue. This includes the election costs plus a 15 per cent corporate overhead. An additional \$5,438 was received from the conduct of fee-for-service elections.

Table 22: Revenue from NT local government by-elections conducted 2019-2020

Date	By-election	Revenue
25 September 2019	Central Desert Regional Council –Nthn Tanami ward	\$1,724
25 September 2019	Central Desert Regional Council – Akityarre ward	\$782
02 October 2019	MacDonnell Regional Council – Ljirapinta ward	\$893
14 October 2019	Central Desert Regional Council – Akityarre ward	\$782
14 October 2019	Central Desert Regional Council – Ljirapinta ward	\$893
09 March 2020	Darwin City Council – Lyons ward	\$69,869
23 March 2020	Central Desert Regional Council – Akityarre ward	\$1,206
23 March 2020	MacDonnell Regional Council – Rodinga ward	\$1,206
<b>Total</b>		<b>\$77,355</b>

Table 22: Revenue from fee-for-service elections conducted 2019-2020

Date	By-election	Revenue
13 September 2019	NTPS Aboriginal Health Practitioner EBA 2018-2022	\$250
13 September 2019	NTPS Correctional Officer EBA 2017-2021	\$675
02 October 2019	Australian Indigenous Doctors Association	\$329
05 November 2019	Danila Dilba Health Service	\$350
09 November 2019	Islamic Society of Darwin	\$1,400
03 December 2019	Northern Land Council	\$2,434
<b>Total</b>		<b>\$5,438</b>

# FINANCIAL STATEMENT OVERVIEW

## FOR THE YEAR ENDED 30 JUNE 2020

The Northern Territory Electoral Commission provides an independent service to the people of the Northern Territory, the Northern Territory Legislative Assembly, municipal and regional councils (mandated) and other organisations (by appointment).

Key responsibilities include:

- Contributing to the maintenance of the Northern Territory electoral roll
- Managing parliamentary and non-parliamentary elections including local government and fee for service elections
- Delivering public electoral awareness and education programs
- Providing advice and reports relating to electoral matters to the Legislative Assembly
- Conducting electoral research
- Providing support to the Redistribution Committees which redistribute electoral boundaries.

### Financial Performance

The NTEC's financial performance has been compared with the actual financial performance in 2018-19 as set out in the table below:

#### 2019-20 and 2018-19 Actual Financial Performance

	2020 \$000	2019 \$000	Variance
Income	3 303	2 630	673
Expenses	3 773	2 715	(1 058)
<b>Net Surplus/ (Deficit)</b>	<b>(470)</b>	<b>(85)</b>	<b>(385)</b>

The Commission's financial performance for 2019-20 reflects a deficit of \$0.5 million compared with the deficit of \$0.085 million in the previous financial year.

Income increased by \$0.7 million due to the increased appropriation of \$0.6 million, however this was offset by a significant increase in expenditure of \$1.0 million. The increased expenditure is primarily related to an increase in employee expense of \$0.6 million and an increase in purchase of goods and services of \$0.3 million.

The increase in employee expenses is due to additional staff hired for the Lyons Ward and Johnston by-elections. No reimbursement was sought for costs incurred for the Johnston by-election and the 2019 NT Electoral Boundary Redistribution that was completed in late September.

The purchase of goods and services also increased compared to the previous non-election year, as preparations have started for the August 2020 Territory Election.


The NTEC's financial performance is anticipated to considerably vary in 2020-21 compared to the 2019-20 financial year as increased activities for the August 2020 Territory Election, which will impact the Commission's income and expenses, will be reflected in the financial report.

## CERTIFICATION OF THE FINANCIAL STATEMENTS

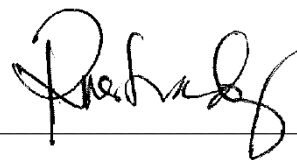
We certify that the attached financial statements for the Northern Territory Electoral Commission have been prepared based on proper accounts and records in accordance with the prescribed format, the **Financial Management Act 1995 and Treasurer's Directions**.

We further state that the information set out in the comprehensive 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 2020 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.



Iain Loganathan  
Electoral Commissioner  
August 2020



Rina Estandarte  
Business Manager  
August 2020

## COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$000	2019 \$000
<b>INCOME</b>			
Grants and subsidies revenue			
Current	4a	2	1
Appropriation			
Output	4b	2 498	1 886
Sales of goods and services	4c	75	120
Goods and services received free of charge	5	724	615
Other income	4d	4	8
<b>TOTAL INCOME</b>	3	<b>3 303</b>	<b>2 630</b>
<b>EXPENSES</b>			
Employee expenses		2 000	1 358
Administrative expenses			
Property management		26	63
Purchases of goods and services	7	881	555
Repairs and maintenance		-	2
Depreciation and amortisation	16,17,18	140	116
Other administrative expenses <sup>1</sup>		726	621
Interest expenses	8	-	-
<b>TOTAL EXPENSES</b> <sup>2</sup>	3	<b>3 773</b>	<b>2 715</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>(470)</b>	<b>(85)</b>
<b>COMPREHENSIVE RESULT</b>		<b>(470)</b>	<b>(85)</b>

<sup>1</sup> Includes DCIS service charges and DIPL repairs and maintenance service charges.

<sup>2</sup> 2019 figure differs from the published version due to rounding.

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

## BALANCE SHEET

AS AT 30 JUNE 2020

	Note	2020 \$000	2019 \$000
<b>ASSETS</b>			
Current assets			
Cash and deposits	10	69	245
Receivables	12	26	30
Prepayments		11	7
Total current assets		106	282
Non-current assets			
Property, plant and equipment	15,16,17,26	197	265
Intangibles <sup>1</sup>	18, 26	142	168
Total non-current assets		339	433
<b>TOTAL ASSETS</b>		<b>445</b>	<b>715</b>
<b>LIABILITIES</b>			
Current liabilities			
Payables	20	114	19
Borrowings and advances – <i>lease liabilities</i>	21	21	-
Provisions	22	255	171
Total current liabilities		390	190
<b>TOTAL LIABILITIES</b>		<b>390</b>	<b>190</b>
<b>NET ASSETS</b>		<b>55</b>	<b>525</b>
<b>EQUITY</b>			
Capital		2 057	2 057
Accumulated funds		(2 002)	(1 532)
<b>TOTAL EQUITY</b>		<b>55</b>	<b>525</b>

<sup>1</sup> Computer software is categorised as intangibles in 2019-20. 2018-19 figures were adjusted for comparability.  
*The balance sheet is to be read in conjunction with the notes to the financial statements.*

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
2019-20					
Accumulated funds		(1 585)	(470)	-	(2 055)
Transfers from reserves		53	-	-	53
		(1 532)	(470)		(2 002)
<Reserves>	25	-	-	-	-
Capital – transactions with owners					
Equity injections					
Capital appropriation		17	-	-	17
Equity transfers in		1 257	-	-	1 257
Other equity injections		1 081	-	-	1 081
Equity withdrawals					
Capital withdrawal		(298)	-	-	(298)
Equity transfers out		-	-	-	-
		2 057			2 057
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		525	(470)		55
2018-19 <sup>1</sup>					
Accumulated funds		(1 500)	(85)	-	(1 585)
Transfers from reserves		(15)	68	-	53
		(1 515)	(17)	-	(1 532)
<Reserves>	25	68	(68)	-	-
Capital – transactions with owners					
Equity injections					
Capital appropriation		17	-	-	17
Equity transfers in		1 257	-	-	1 257
Other equity injections		1 081	-	-	1 081
Equity withdrawals					
Capital withdrawal		(298)	-	-	(298)
Equity transfers out		-	-	-	-
		2 057	-	-	2 057
<b>TOTAL EQUITY AT END OF FINANCIAL YEAR</b>		610	(85)	-	525

<sup>1</sup> 2018-19 figure differs from the published version due to rounding

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

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$000	2019 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating receipts			
Grants and subsidies received			
Current		2	1
Appropriation			
Output		2 498	1 886
Receipts from sales of goods and services		151	164
Interest received		-	-
Total operating receipts		<u>2 651</u>	<u>2 051</u>
Operating payments			
Payments to employees		(1 900)	(1 383)
Payments for goods and services		(902)	(677)
Grants and subsidies paid			
Current			
Capital			
Community service obligations			
Interest paid		-	-
Total operating payments		<u>(2 802)</u>	<u>(2 060)</u>
Net cash from/(used in) operating activities	11	<u>(151)</u>	<u>(9)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Financing receipts			
Deposits received		-	-
Total financing receipts		<u>-</u>	<u>-</u>
Financing payments			
Finance lease payments		(25)	-
Total financing payments		<u>(25)</u>	<u>-</u>
Net cash from/(used in) financing activities	11	<u>(25)</u>	<u>-</u>
Net increase/(decrease) in cash held		(176)	(9)
Cash at beginning of financial year		245	254
<b>CASH AT END OF FINANCIAL YEAR</b>	10	<u>69</u>	<u>245</u>

*The cash flow statement is to be read in conjunction with the notes to the financial statements.*

# NORTHERN TERRITORY ELECTORAL COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended June 2020

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## NOTES TO FINANCIAL STATEMENTS

### 1. OBJECTIVES AND FUNDING

The Northern Territory Electoral Commission (the 'Commission', NTEC) 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 and other organisations (if appointed), in an efficient and cost-effective manner, consistent with legislative requirements.

The Commission is predominantly funded and therefore dependent, on the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the Commission controls resources to carry on its functions and deliver outputs. For reporting purposes, outputs delivered by the Commission are summarised into several output groups. Note 3 provides summarised financial information in the form of a comprehensive operating statement by the output group.

For the conduct of Legislative Assembly elections, a Treasurer's Advance is generally sought at the conclusion of the event. For a Local Government General Election, councils are charged the margin cost and have the option to pay prior or after the event. For local government by-elections councils are charged a 15 per cent corporate overhead in addition to the marginal cost and invoiced after the event. The financial statements encompass all funds through which the Commission controls resources to carry on its functions and deliver outputs.

#### a) Machinery of government changes

##### *Transfers in*

There were no transfers out as a result of Administrative Arrangement Orders.

##### *Transfers out*

Details of transfer: ICT Services FTE transferred to the Department of Corporate and Information Services

Basis of transfer: Administrative Arrangements Order (No. 2) 2019, 27 June 2019

Date of transfer: Effective from 01 July 2019

The assets and liabilities transferred as a result of this change were as follows:

<b>Assets</b>	<b>\$000</b>
Cash	8
	<hr/>
	8
	<hr/>
<b>Liabilities</b>	
Provisions	8
	<hr/>
	8
	<hr/>
<b>Net assets</b>	-
	<hr/>

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Financial Management Act 1995 and related **Treasurer's Directions. The Financial Management Act 1995** requires NTEC to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements should include:

- (i) a certification of the financial statements
- (ii) a comprehensive 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.

### b) Basis of accounting

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.

The form of the NTEC financial statements is also consistent with the requirements of Australian accounting standards. The effects of all relevant new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

## STANDARDS AND INTERPRETATIONS EFFECTIVE FROM 2019-20

**AASB 15 Revenue from contracts with a customer / AASB 1058 Income for not-for-profit entities**  
AASB 15 Revenue from contracts with customers (AASB 15) supersedes AASB 111 Construction contracts, AASB 118 Revenue and related interpretations and applies, with limited exceptions, to all revenue arising from contracts with customers. Under AASB15 revenue from agreements that are enforceable, have sufficiently specific performance obligations and transfer goods or services to the customer or third party beneficiary will be recognised when or as performance obligations are satisfied. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when assessing contracts with their customers.

AASB 1058 Income for not-for-profit entities (AASB 1058) clarifies and simplifies income-recognition requirements that apply to not-for-profit entities and replaces most of the not-for-profit provisions under AASB 1004 Contributions. AASB 1058 applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received.

There is no impact on balances resulting from the adoption of AASB 15 and AASB 1058 as at 1 July 2019.

### AASB 16 Leases

AASB 16 Leases (AASB 16) supersedes AASB 117 Leases and relevant interpretations and introduces significant changes to lessee accounting by removing the distinction between operating and finance leases. For lessees with operating leases, a right-of-use asset has now been recognised on the balance sheet together with a lease liability at the lease commencement, for all leases except for leases with a term of less than 12 months or where the underlying assets are of low value. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged and has not had a significant impact for leases where the agency is the lessor.

In accordance with transition provisions, NTEC has applied the modified retrospective approach on transition to AASB 16, with the cumulative effect of initial application of the standard as an adjustment to the balance sheet as at 1 July 2019. Accordingly, the comparative information presented for 2018-19 has not been restated and is presented as previously reported.

Lease liabilities recognised at 1 July 2019 have been measured at the present value of the remaining lease payments discounted using the Northern Territory Treasury Corporation's institutional bond rate as the incremental borrowing rate at the date of initial application. The weighted average incremental borrowing rate applied to the lease liabilities as at 1 July 2019 was 1.26%.

The corresponding right-of-use asset has been recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 1 July 2019.

NTEC has applied the following practical expedients permitted by AASB 16 on transition:

- application of a single discount rate to a portfolio of leases with reasonably similar characteristics
- leases with a remaining term of less than 12 months as at 1 July 2019 were expensed rather than recognised on the balance sheet
- exclusion of initial direct costs from the measurement of the right-of-use asset as at 1 July 2019

On adoption of AASB 16, the agency recognised additional right-of-use assets and lease liabilities for office accommodation and storage which had previously been classified as operating leases.

Impact on affected balances of adopting AASB 16 as at 1 July 2019 is as follows:

<b>Balance sheet</b>	<b>\$000</b>
<b>ASSETS</b>	
Leased property, plant and equipment	46
<b>TOTAL ASSETS</b>	<b>46</b>
<b>LIABILITIES</b>	
Borrowings and advances – lease liabilities	46
<b>TOTAL LIABILITIES</b>	<b>46</b>
<b>NET ASSETS</b>	<b>-</b>

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	<b>\$000</b>
Minimum operating lease commitments as at 30 June 2019	72
Less: commitments relating to short-term leases	25
Less: commitments relating to leases of low-value assets	-
Add: lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	-
<b>Undiscounted lease payments</b>	<b>47</b>
Less: effect of discounting using the incremental borrowing rate	1
<b>Additional lease liabilities recognised at 1 July 2019</b>	<b>46</b>
Add: commitments relating to leases previously classified as finance leases	-
<b>Adjusted lease liabilities as at 1 July 2019</b>	<b>46</b>

### [AASB 2016-8 Amendments to Australian accounting standards – Australian implementation guidance for not-for-profit entities \(AASB 9 Financial instruments\)](#)

AASB 2016-8 is effective for the first time in 2019-20 and will require non-contractual receivables arising from statutory requirements to apply the initial recognition and measurement requirements of AASB 9. The requirements of AASB 2016-8 are largely consistent with existing recognition and measurement practices of the agency and is therefore not expected to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to the current reporting periods, but are considered to have no impact on public sector reporting.

### [Standards and interpretations issued but not yet effective](#)

No Australian accounting standards have been early adopted for 2019-20.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

### [c\) Reporting entity](#)

The financial statements cover the Commission as an individual reporting entity. NTEC is a Northern Territory commission established under the *Interpretation Act 1978 and Administrative Arrangements Order*.

The principal place of business of the commission is: Level 3 TCG Centre, 80 Mitchell Street, Darwin.

NTEC has no controlled entities.

### [d\) NTEC and Territory items](#)

The financial statements of NTEC include income, expenses, assets, liabilities and equity over which NTEC has control (agency items). Certain items, while managed by the NTEC, are controlled and recorded by the Territory rather than NTEC (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 NTEC's financial statements.**

### [e\) Comparatives](#)

Where necessary, comparative information for the 2018-19 financial year has been reclassified to provide consistency with current year disclosures.

#### f) 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. Figures in the financial statements and notes may not equate due to rounding.

#### g) Changes in accounting policies

There have been no changes to accounting policies adopted in 2019-20 as a result of management decisions. Changes in policies and management decisions relating to COVID-19 are disclosed in k below.

#### h) Accounting judgments and estimates

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

#### i) 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.

#### j) Contributions by and distributions to government

NTEC may receive contributions from government where the government is acting as owner of the NTEC. Conversely, NTEC may make distributions to government. In accordance with the *Financial Management Act 1995 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 provides additional information in relation to contributions by, and distributions to, government.

#### k) Impact of COVID-19

The Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges to ease financial hardship faced by individuals and businesses as a result of COVID-19.

COVID-19 had a minimal impact on NTEC's 2019-20 financial performance. It is anticipated that the cost of complying with directions from the Chief Health Officer in response to COVID-19 will increase the cost of delivering the August election.

### 3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

	Note	Electoral Services		Corporate and Governance		Total	
		2020 \$000	2019 <sup>1</sup> \$000	2020 \$000	2019 <sup>1</sup> \$000	2020 \$000	2019 \$000
<b>INCOME</b>							
Grants and subsidies revenue	4a						
Current		2	1	-	-	2	1
Appropriation	4b						
Output		2 498	1 886	-	-	2 498	1 886
Sales of goods and services	4c	75	120	-	-	75	120
Interest revenue		-	-	-	-	-	-
Goods and services received free of charge	5	-	-	724	615	724	615
Other income	4d	4	8	-	-	4	8
<b>TOTAL INCOME</b>		<b>2 580</b>	<b>2 015</b>	<b>724</b>	<b>615</b>	<b>3 303</b>	<b>2 630</b>
<b>EXPENSES</b>							
Employee expenses		1 876	1 182	124	176	2 000	1 358
Administrative expenses							
Property management		26	63	-	-	26	63
Purchases of goods and services	7	861	535	20	20	881	555
Repairs and maintenance		-	2	-	-	-	2
Depreciation and amortisation	15,16	140	116	-	-	140	116
Other administrative expenses <sup>1</sup>		2	6	724	615	726	621
Interest expenses	8	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>		<b>2 905</b>	<b>1 904</b>	<b>868</b>	<b>811</b>	<b>3 773</b>	<b>2 715</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>(325)</b>	<b>111</b>	<b>(144)</b>	<b>(196)</b>	<b>(470)</b>	<b>(85)</b>
<b>OTHER COMPREHENSIVE INCOME</b>							
Items that will not be reclassified to net surplus/deficit							
Asset revaluation reserve		-	(68)	-	-	-	-
Transfers from reserves		-	68	-	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE RESULT</b>		<b>(325)</b>	<b>111</b>	<b>(144)</b>	<b>(196)</b>	<b>(470)</b>	<b>(85)</b>

<sup>1</sup> Includes DCIS service charges and DIPL R&M; 2018-19 figures were revised from the published version for comparability.

*This comprehensive operating statement by output group is to be read in conjunction with the notes to the financial statements.*

## INCOME

### 4. INCOME

Income encompasses both revenue and gains.

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

#### a) Grants and subsidies revenue

	2020			2019
	\$000	\$000	\$000	\$000
	Revenue from contracts with customers	Other	Total	
Current grants	2	-	2	1
<b>Total grants and subsidies revenue</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>1</b>

Grants revenue is recognised at fair value exclusive of the amount of GST. Until 30 June 2019, grant revenue and other non-reciprocal contributions were recognised as revenue when the agency obtains control over the asset comprising the contribution, which was normally obtained on receipt.

Grant revenue, passed on from a Territory Government-controlled entity with the exception of the Central Holding Authority, is recognised upfront on receipt, irrespective of which revenue accounting standard it may fall under in **accordance with the Treasurer's Direction on income**.

Revenue from contracts with customers for the 2019-20 financial year have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

Grant agreements that satisfy recognition requirements under AASB 15 are disaggregated below.

	2020
	\$000
<b>Type of good and service:</b>	
Service delivery	2
<b>Total revenue from contracts with customers by good or service</b>	<b>2</b>
<b>Type of customer:</b>	
Australian Government entities	-
State and territory governments	2
Non-government entities	-
<b>Total revenue from contracts with customers by type of customer</b>	<b>2</b>
<b>Timing of transfer of goods and services:</b>	
Overtime	2
Point in time	-
<b>Total revenue from contracts with customers by timing of transfer</b>	<b>2</b>

## b) Appropriation

	2020			2019
	\$000	\$000	\$000	\$000
Revenue from contracts with customers		Other	Total	
Output	-	2 498	2 498	1 886
<b>Total appropriation</b>	-	2 498	2 498	1 886

Output appropriation is the operating payment to each agency for the outputs they provide as specified in the *Appropriation Act*. It does not include any allowance for major non-cash costs such as depreciation. The treatment of output appropriations remains the same after adopting AASB 15 and AASB 1058, because they do not have sufficiently specific performance obligations.

From 1 July 2019, where appropriation received has an enforceable contract with sufficiently specific performance obligations as defined in AASB 15, revenue is recognised as and when goods and or services are transferred to the customer or third party beneficiary. Otherwise revenue is recognised when the agency gains control of the funds.

## c) Sales of goods and services

	2020			2019
	\$000	\$000	\$000	\$000
Revenue from contracts with customers		Other	Total	
Election services	75	-	75	120
<b>Total sales of goods and services</b>	75	-	75	120

NTEC's sales of goods and services income primarily relate to the provision of election services to various clients. Revenue is recognised as NTEC satisfies its performance obligation when election services are performed, with payments typically due a month after.

### Rendering of services

Until 30 June 2019, revenue from rendering services was recognised by reference to the stage of completion of the contract. From 1 July 2019, revenue from rendering of services is recognised when the agency satisfies the performance obligation by transferring the promised services.

Revenue from contracts with customers for the 2019-20 financial year have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2020
	\$000
<b>Type of good and service:</b>	
Service delivery	75
<b>Total revenue from contracts with customers by good or service</b>	<b>75</b>
<b>Type of customer:</b>	
Australian Government entities	-
NT Local Government Councils	64
Non-government entities	11
<b>Total revenue from contracts with customers by type of customer</b>	<b>75</b>
<b>Timing of transfer of goods and services:</b>	
Overtime	-
Point in time	75
<b>Total revenue from contracts with customers by timing of transfer</b>	<b>75</b>

#### d) Other income

	\$000	\$000	2020 \$000	2019 \$000
	Revenue from contracts with customers	Other	Total	
Election registration fees	2	-	2	8
Other income	2	-	2	-
<b>Total other income</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>8</b>

NTEC's other income comprised election registration related fees and Aboriginal Employment Program incentive from DCIS. Revenue is recognised as NTEC satisfies its performance obligation when election registration services are performed, with payments typically due a month after. The Aboriginal Employment Program incentive from DCIS is recognised as income upon receipt as per Treasurer's Direction on income.

Revenue from contracts with customers for the 2019-20 financial year have been disaggregated below into categories to enable users of these financial statements to understand the nature, amount, timing and uncertainty of income and cash flows. These categories include a description of the type of product or service line, type of customer and timing of transfer of goods and services.

	2020 \$000
<b>Type of good and service:</b>	
Service delivery	4
Total revenue from contracts with customers by good or service	4
<b>Type of customer:</b>	
Australian Government entities	-
State and territory governments	2
Non-government entities	2
Total revenue from contracts with customers by type of customer	4
<b>Timing of transfer of goods and services:</b>	
Overtime	-
Point in time	4
Total revenue from contracts with customers by timing of	4

#### 5. GOODS AND SERVICES RECEIVED FREE OF CHARGE

	2020 \$000	2019 \$000
Corporate and information services	718	615
Repairs and maintenance	6	-
<b>Total</b>	<b>724</b>	<b>615</b>

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. From 1 July 2019, repairs and maintenance expenses and associated employee costs were centralised under the Department of Infrastructure, Planning and Logistics as part of a machinery of government change and now forms part of goods and services free of charge of NTEC.

In addition, from 1 July 2019, corporate services staff and functions were centralised under Department of Corporate and Information Services as part of a machinery of government change and now forms part of goods and services free of charge of NTEC.

#### 6. GAIN ON DISPOSAL OF ASSETS

NTEC has no gain on disposal of assets in 2019-20 and in 2018-19.

## EXPENSES

### 7. PURCHASES OF GOODS AND SERVICES

	2020	2019 <sup>4</sup>
	\$000	\$000
The net surplus/(deficit) has been arrived at after charging the following expenses:		
Goods and services expenses:		
Consultants <sup>1</sup>	42	-
Advertising <sup>2</sup>	-	1
Marketing and promotion <sup>3</sup>	145	25
Document production	38	17
Agent service arrangements	123	129
Training and study	31	4
Official duty fares	43	37
Audit fees	26	12
Travelling allowance	21	10
Information technology charges and communications	137	131
Information technology hardware and software	106	-
Other	169	189
<b>Total</b>	<b>881</b>	<b>555</b>

<sup>1</sup> Includes marketing, promotion and IT consultants.

<sup>2</sup> Does not include recruitment, advertising or marketing and promotion advertising.

<sup>3</sup> **Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.**

<sup>4</sup> 2019 figures were revised from the published version for comparability with 2020 disclosures.

Purchases of goods and services generally represent the day-to-day running costs incurred in normal operations, including supplies and service costs recognised in the reporting period in which they are incurred.

### 8. REPAIRS AND MAINTENANCE EXPENSE

From 1 July 2019, repairs and maintenance expenses were centralised under the Department of Infrastructure, Planning and Logistics (DIPL) as part of machinery of government changes. The agency now recognises a notional repairs and maintenance expense under services received free of charge in Note 5.

### 9. INTEREST EXPENSE

	2020	2019
	\$000	\$000
Interest from lease liabilities <sup>1</sup>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<sup>1</sup> 2020 interest expense relates to lease liabilities in accordance with AASB 16, while 2019 interest expense relates to finance lease liabilities in accordance with AASB 117.

## 10. WRITE-OFFS, POSTPONEMENTS, WAIVER, GIFTS AND EX GRATIA PAYMENTS

	2020	No. of trans	2019	No. of trans
	\$000		\$000	
Write-offs, postponements and waivers under the <i>Financial Management Act 1995</i>	3	1	-	-
Represented by:				
<i>Amounts written off, postponed and waived by the Treasurer</i>				
Irrecoverable amounts payable to the Territory or an agency written off	-	-	-	-
Losses or deficiencies of money written off	3	1	-	-
Public property written off	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-
<b>Total written off, postponed and waived by the Treasurer</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>-</b>

## ASSETS

### 11. CASH AND DEPOSITS

	2020	2019
	\$000	\$000
Cash on hand	-	3
Cash at bank	69	242
<b>Total</b>	<b>69</b>	<b>245</b>

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.

### 12. CASH FLOW RECONCILIATION

#### a) Reconciliation of cash

**The total of agency 'Cash and deposits' of \$69,000 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

	2020	2019
	\$000	\$000
Net surplus/deficit	(470)	(85)
<i>Non-cash items:</i>		
Depreciation and amortisation	140	116
<i>Changes in assets and liabilities:</i>		
Decrease/increase in receivables	4	(4)
Decrease/increase in prepayments	(4)	(7)
Decrease/increase in payables	96	(2)
Decrease/increase in provision for employee benefits	72	(26)
Decrease/increase in other provisions	11	(1)
<b>Net cash from operating activities</b>	<b>(151)</b>	<b>(9)</b>

b) Reconciliation of liabilities arising from financing activities

2019-20

	Cash flows								Other		
	1 July	Recognised on AASB 16 adoption	Adjusted 1 July	Loans and advances	Securities	Lease liabilities repayments	Other	Total cash flows	Other	Total other	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Borrowings and advances	-	46	46	-	-	(25)	-	(25)	-	84	21
Provisions	171	-	171	-	-	-	-	-	84	-	255
<b>Total</b>	<b>171</b>	<b>46</b>	<b>217</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>-</b>	<b>(25)</b>	<b>84</b>	<b>84</b>	<b>276</b>

2018-19

	Cash flows						Other		
	1 July	Loans and advances	Securities	Finance lease	Other	Total cash flows	Other	Total other	30 June
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Provisions	198	-	-	-	-	-	(27)	-	171
<b>Total</b>	<b>198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27)</b>	<b>-</b>	<b>171</b>

c) Non-cash financing and investing activities

Lease transactions

During the financial year, the agency recorded right-of-use asset for the lease of a building with an aggregate value of \$21,769 (2019: \$45,518).

13. RECEIVABLES

	2020	2019
	\$000	\$000
Current		
Accounts receivable	6	33
Less: loss allowance	(6)	(6)
	-	27
Interest receivables	-	-
GST receivables	26	3
Other receivables	-	-
	26	3
<b>Total receivables</b>	<b>26</b>	<b>30</b>

Receivables are initially recognised when the agency becomes a party to the contractual provisions of the instrument and are measured at fair value less any directly attributable transaction costs. Receivables include contract receivables, accounts receivable, accrued contract revenue and other receivables.

Receivables are subsequently measured at amortised cost using the effective interest method, less any impairments.

Accounts receivable and contract receivables are generally settled within 30 days.

The loss allowance reflects lifetime expected credit losses and represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful.

#### Accrued contract revenue

**Accrued contract revenue arise from contracts with customers where the agency’s right** to consideration in exchange for goods transferred to customers or works completed have arisen but have not been billed **at the reporting date. Once the agency’s rights to payment becomes unconditional, usually on issue of an invoice**, accrued contract revenue balances are reclassified as contract receivables. Accrued revenue that does not arise from contracts with customers are reported as part of other receivables.

NTEC has no accrued contract revenue.

#### Credit risk exposure of receivables

Receivables are monitored on an ongoing basis to ensure exposure to bad debts is not significant. The entity applies the simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivables, contracts receivables and accrued contract revenue. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

The expected loss rates are based on historical observed loss rates, adjusted to reflect current and forward-looking information, including macroeconomic factors.

In accordance with the provisions of the FMA, receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes a failure to make contractual payments for a period greater than 182 days past due.

Due to COVID-19, the agency’s credit risk exposure has increased and is reflected in the expected credit losses reported. To ease financial hardship faced by individuals and businesses as a result of the COVID-19, the Territory Government modified its debt recovery process and postponed the payment date for a number of regulatory fees and charges. This has been reflected in the expected credit loss recorded within the reporting period.

The loss allowance for receivables and reconciliation as at the reporting date is disclosed below.

#### Loss allowance for receivables

External receivables	2020				2019			
	Gross receivables	Loss rate	Expected credit losses	Net receivables	Gross receivables	Loss rate	Expected credit losses	Net receivables
	\$000	%	\$000	\$000	\$000	%	\$000	\$000
Not overdue								
Overdue for less than 30 days								
Overdue for 30 to 60 days					7	86%	6	1

External receivables	2020				2019			
	Gross receivables	Loss rate	Expected credit losses	Net receivables	Gross receivables	Loss rate	Expected credit losses	Net receivables
Overdue for more than 60 days	6	100%	6	-	26	-	-	26
<b>Total external receivables</b>	<b>6</b>	<b>100%</b>	<b>6</b>	<b>-</b>	<b>33</b>	<b>86%</b>	<b>6</b>	<b>27</b>

Total amounts disclosed exclude statutory amounts and include contract receivables and accrued contract revenue.

#### Reconciliation of loss allowance for receivables

	2020	2019
	\$000	\$000
External receivables		
Opening balance	27	-
Written off during the year	-	-
Recovered during the year	21	-
Increase/decrease in allowance recognised in profit or loss	-	(6)
<b>Total external receivables</b>	<b>6</b>	<b>6</b>

#### Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

#### 14. ADVANCES AND INVESTMENTS

NTEC had no advances paid, equity accounted investments and investments in shares for the 2019-20 and 2018-19 financial year.

#### 15. OTHER ASSETS

##### a) AGENCY AS A LESSOR

NTEC is not a lessor and therefore, does not have any finance lease or sublease arrangements. There is no lease receivables for 2019-20.

##### b) CONTRACT COST ASSET

For the 2019-20 reporting period, no costs were capitalised as a contract cost asset.

#### 16. PROPERTY, PLANT AND EQUIPMENT

##### a) Total property, plant and equipment

##### Plant and equipment

	2020	2019
	\$000	\$000
At fair value	1 251	1 251
Less: accumulated depreciation	(1 076)	(986)
	175	265

##### Leased property, plant and equipment <sup>1</sup>

At capitalised cost	46	-
Less: accumulated depreciation	(24)	-
	22	-
<b>Total Property, Plant and Equipment</b>	<b>197</b>	<b>265</b>

<sup>1</sup> NTEC has no concessionary leases.

### 2020 Property, plant and equipment reconciliations

From 1 July 2019, property, plant and equipment includes right-of-use assets under AASB 16 Leases, effective from that date. Further information on right-of-use assets is disclosed in Note 16. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2019-20 is set out below:

	Plant and equipment \$000	Leased property, plant and equipment \$000	Total \$000
Carrying amount as at 1 July 2019	265	-	265
Reclassification <sup>1</sup>	-	-	-
Recognition of right-of-use assets on initial adoption of AASB 16	-	46	46
Adjusted carrying amount as at 1 July 2019	265	46	311
Additions	-	-	-
Additions of right-of-use assets	-	-	-
Disposals	-	-	-
Depreciation expense – asset owned	(90)	-	(90)
Amortisation expense – right-of-use asset	-	(24)	(24)
<b>Carrying amount as at 30 June 2020</b>	<b>175</b>	<b>22</b>	<b>197</b>

### 2019 Property, plant and equipment reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2018-19 is set out below:

	Plant and equipment \$000	Leased property, plant and equipment \$000	Total \$000
Carrying amount as at 1 July 2018	355	-	355
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	(90)	-	(90)
<b>Carrying amount as at 30 June 2019</b>	<b>265</b>	<b>-</b>	<b>265</b>

### Acquisitions

All items of property, plant and equipment with a cost or other value, equal to or greater than \$10 000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10 000 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 separately depreciated over their expected useful lives.

### Construction (work in progress)

As part of the financial management framework, the Department of Infrastructure, Planning and Logistics is responsible for managing general government capital works projects on a whole of government basis. Therefore appropriation for NTEC capital works is provided directly to the Department of Infrastructure, Planning and Logistics and the cost of construction work in progress is recognised as an asset of that department. Once completed, capital works assets are transferred to NTEC.

Revaluations and impairment

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

For right-of-use assets, the net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition. Subsequently, right-of-use assets are stated at cost less amortisation, which is deemed to equate to fair value.

### Depreciation and amortisation expense

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 and are determined as follows:

	2020	2019
Plant and equipment	3-6 years	3-6 years
Right-of-use assets <sup>1</sup>	Lease term	n/a
Intangibles (Computer software)	10 years	10 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

<sup>1</sup> Further information on right-of-use assets is disclosed in Note 17.

## 17. NTEC AS A LESSEE

NTEC currently leases a storage facility with a contract for a fixed period of 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. NTEC does not provide residual value guarantees in relation to leases.

Extension and termination options are included in NTEC leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by NTEC and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

NTEC has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low value assets are assets with a fair value of \$10,000 or less when new and not subject to a sublease arrangement.

### Right-of-use asset

The following table presents right-of-use assets included in the carrying amounts of property, plant and equipment at Note 15.

	Buildings	Plant and equipment	Total
	\$000	\$000	\$000
Balance as at 1 July 2019	46	-	46
Additions	-	-	-
Disposals	-	-	-
Amortisation expense	(24)	-	(24)
Revaluation increments/decrements including remeasurement	-	-	-
<b>Carrying amount as at 30 June 2020</b>	<b>22</b>	<b>-</b>	<b>22</b>

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020 in respect of leases where the agency is the lessee:

	\$000
<b>Amortisation expense of right-of-use assets</b>	<b>24</b>
Interest expense on lease liabilities	-
Expense relating to short-term leases	-
Expense relating to leases of low-value assets	-
Variable lease payments, not included in the measurement of lease liabilities	-
Intergovernmental leases	-
Income from subleasing right-of-use assets	-
Gains or losses arising from sale and leaseback transactions	-
<b>Total amount recognised in the comprehensive operating statement</b>	<b>24</b>

### Recognition and measurement (under AASB 16 from 1 July 2019)

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

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

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### Inter-governmental leases

NTEC applies the inter-governmental leases recognition exemption as per the Treasurer's Direction – Leases and recognise these as an expense on a straight-line basis over the lease term. These largely relate to the lease of motor vehicles from NT Fleet. Leases of commercial properties for office accommodation are centralised with the Department of Corporate and Information Services (DCIS). Consequently all lease liabilities and right-of-use assets relating to these arrangements are recognised by DCIS and not disclosed within these financial statements.

### Recognition and measurement (under AASB 117 until 30 June 2019)

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 are capitalised and recorded under property, plant and equipment. A lease asset and a lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

Repayments of principal reduce lease liabilities. The interest components of the lease payments are expensed.

## 18. INTANGIBLES

	2020	2019
	\$000	\$000
Carrying amount		
Intangibles with a finite useful life		
Other intangibles		
At cost	262	262
Less: accumulated amortisation	(120)	(94)
Written down value – 30 June	142	168
<b>Total intangibles <sup>1</sup></b>	<b>142</b>	<b>168</b>

<sup>1</sup> Computer software is categorised as intangibles in 2019-20. 2018-19 figures were adjusted for comparability.

### Intangible valuations

Intangible assets for NTEC are comprised of computer software. Intangible assets are stated at historical cost less depreciation, which is deemed to equate to fair value.

### Impairment of intangibles

Due to the method of valuation of NTEC assets, no assessment for impairment was deemed necessary as at 30 June 2020, and therefore, no impairment adjustments were required.

	2020	2019
	\$000	\$000
Reconciliation of movements		
Intangibles with a finite useful life		
Other intangibles		
Carrying amount at 1 July	168	194
Additions	-	-
Disposals	-	-
Depreciation/ amortisation	(26)	(26)
<b>Carrying amount as at 30 June</b>	<b>142</b>	<b>168</b>

## 19. ASSETS HELD FOR SALE

Assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction or a grant agreement rather than continuing use. Assets held for sale consist of those assets that management has determined are available for immediate sale or granting in their present condition and their sale is highly probable within one year from the date of classification.

These **assets are measured at the lower of the asset's carrying amount and fair value less costs to sell**. These assets are not depreciated. Non-current assets held for sale have been recognised on the face of the financial statements as current assets.

NTEC had no assets held for sale in 2019-20 and 2018-19.

## 20. PAYABLES

	2020	2019
	\$000	\$000
Accounts payable	22	10
Accrued expenses	92	9
<b>Total payables</b>	<b>114</b>	<b>19</b>

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 20 days from receipt of valid invoices under \$1 million or 30 days for invoices over \$1 million.

## 21. BORROWINGS AND ADVANCES

	2020	2019
	\$000	\$000
Current Lease liabilities	21	-
<b>Total borrowings and advances</b>	<b>21</b>	<b>-</b>

### Lease liabilities

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

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

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be **readily determined, which is generally the case for the agency's leases, the Northern Territory Treasury Corporation's institutional bond rate is used as the incremental borrowing rate.**

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

Lease liabilities are determined in accordance with AASB 117 until 30 June 2019.

From 1 July 2019, lease liabilities are determined in accordance with AASB 16.

The following table presents liabilities under leases for 2019-20.

	\$000
Balance at 1 July 2019	-
Recognition of lease liabilities on initial adoption of AASB 16	46
Adjusted balance at 1 July 2019	46
Additions/remeasurements	-
Interest expenses	-
Payments	(25)
<b>Balance at 30 June 2020</b>	<b>21</b>

The Commission had total cash outflows for leases of \$24,736 in 2019-20.

Future minimum lease payments under non-cancellable leases not recorded as liability are as follows:

	2020		2019	
	Internal	External	Internal	External
Within one year		21		-
Later than one year and not later than five years		-		72
Later than five years		-		-
<b>Total</b>		<b>21</b>		<b>72</b>

## 22. PROVISIONS

	2020	2019
	\$000	\$000
<b>Current</b>		
<i>Employee benefits</i>		
Recreation leave	200	133
Leave loading	22	16
<i>Other current provisions</i>		
Other provisions	33	22
	<u>255</u>	<u>171</u>
<b>Total provisions</b>	<u>255</u>	<u>171</u>

The Commission employed 25 employees as at 30 June 2020 (11 employees as at 30 June 2019).

The increase in FTE numbers relate to short term contract positions for the August 2020 Territory election that includes establishing a temporary office in Alice Springs. These positions are funded through the appropriation for the election.

### 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, 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 and other leave entitlements
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of government agencies, including NTEC and therefore no long service leave liability is recognised in agency financial statements.

## 23. OTHER LIABILITIES

NTEC has no other liabilities for the 2019-20 and 2018-19 financial years.

### Financial guarantee contracts

NTEC had no financial guarantee contracts for 2019-20 and 2018-19 financial years.

## Superannuation

Employees' superannuation entitlements are provided through the:

- Northern Territory 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.

NTEC 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 therefore not recognised in NTEC's** financial statements.

## Unearned contract revenue

- NTEC had no unearned contract revenue for 2019-20 and 2018-19 financial years.

## 24. COMMITMENTS

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured. Following the adoption of AASB 16 Leases, operating lease commitments as reported in 2019, satisfying eligibility criteria, have now been recognised as a lease liability on the balance sheet and in Note 21.

Similarly, following the adoption of AASB 15 Revenue from contracts with customers and AASB 1058 Income of not-for-profit entities, a significant portion of capital commitments and other non-cancellable commitments as reported in 2019 have now been recognised as unearned liabilities on the balance sheet. Disclosures in relation to capital and other commitments are detailed below

	2020		2019	
	Internal	External	Internal	External
	\$000	\$000	\$000	\$000
<b>Capital expenditure commitments</b>				
NTEC had no capital expenditure commitments for 2019-20 and 2018-19.				
<b>Other expenditure commitments</b>				
Other non-cancellable expenditure commitments are related to short-term leases for the 2020 elections. They are not recognised as liabilities are payable as follows:				
Within one year	-	80	-	-
Later than one year and not later than five years	-	-	-	113
Later than five years	-	-	-	-
	-	80	-	113

## EQUITY

### 25. RESERVES

#### Asset revaluation surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets. Impairment adjustments may also be recognised in the asset revaluation surplus.

NTEC has no asset revaluation surplus as at 30 June 2020.

	Other		Total	
	2020	2019	2020	2019
	\$000	\$000	\$000	\$000
(ii) Movements in the asset revaluation surplus				
Balance as at 1 July	-	68	-	68
Changes in accounting policies	-	-	-	-
Correction of prior period errors	-	-	-	-
Increment/decrement	-	-	-	-
Impairment (losses)/reversals	-	-	-	-
Transfers to accumulated funds	-	(68)	-	(68)
<b>Balance as at 30 June</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## OTHER DISCLOSURES

### 26. FAIR VALUE MEASUREMENT

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

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

NTEC property, plant and equipment, computer software and computer hardware are recognised at cost less depreciation or amortisation. The carrying amounts of these financial assets and liabilities approximates their fair value.

### 27. 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 assets and liabilities are recognised on the balance sheet when NTEC becomes a party to the **contractual provisions of the financial instrument**. NTEC's financial instruments include cash and deposits, receivables, payables and finance lease liabilities.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments: Presentation. These include statutory receivables arising from taxes including GST and penalties.

NTEC has limited exposure to financial risks as discussed below.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities.

## a) Categories of financial instruments

The carrying amounts of the agency's financial assets and liabilities by category are disclosed in the table below.

	Fair value through profit or loss		Amortised cost	Fair value through other comprehensive income	Total
	Mandatorily at fair value	Designated at fair value			
	\$000	\$000	\$000	\$000	\$000
<b>2019-20</b>					
Cash and deposits	-	-	69	-	69
Receivables <sup>1</sup>	-	-	-	-	-
<b>Total financial assets</b>	-	-	69	-	69
Payables <sup>1</sup>	-	-	22	-	22
Lease liabilities	-	-	21	-	21
<b>Total financial liabilities</b>	-	-	43	-	43
<b>2018-19</b> <sup>2</sup>					
Cash and deposits	-	-	-	-	-
Receivables <sup>1</sup>	-	-	-	245	245
<b>Total financial assets</b>	-	-	-	272	272
Payables <sup>1</sup>	-	-	-	10	10
<b>Total financial liabilities</b>	-	-	-	10	10

<sup>1</sup> Total amounts disclosed here exclude statutory amounts and accrued contract revenue

<sup>2</sup> 2018-19 figures varies from published version due to rounding

## Categories of financial instruments

NTEC's financial instruments are classified in accordance with AASB 9.

Financial assets are classified under the following categories:

- amortised cost

Financial liabilities are classified under the following categories:

- amortised cost

### Financial assets at amortised cost

Financial assets are classified at amortised cost when they are held by the agency to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest.

These assets are initially recognised at fair value and subsequently measured at amortised cost using the **effective interest method, less impairment**. NTEC's financial assets categorised at amortised cost include cash and deposits and receivables.

### Financial assets at fair value through other comprehensive income

NTEC does not have any financial assets under this category.

### Financial assets at fair value through profit or loss

NTEC does not have any financial assets under this category.

### Financial liabilities at amortised cost

Financial liabilities at amortised cost are measured at amortised cost using the effective interest rate method. **The agency's financial liabilities categorised at amortised cost include all accounts payable and lease liabilities.**

### Financial liabilities at fair value through profit or loss

NTEC does not have any financial liabilities under this category.

### Derivatives

NTEC does not trade on derivatives.

### b) Credit risk

NTEC has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to government, NTEC 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.

Credit risk relating to receivables is disclosed in Note 12.

### c) Liquidity risk

**Liquidity risk is the risk NTEC will not be able to meet its financial obligations as they fall due. NTEC's approach to managing liquidity is to ensure it will always have sufficient funds to meet its liabilities when they fall due. This is achieved by ensuring minimum levels of cash are held in the NTEC bank account to meet various current employee and supplier liabilities. NTEC's exposure to liquidity risk is minimal. Cash injections are available from the Central Holding Authority in the event of one-off extraordinary expenditure items arise that deplete cash to levels that compromise the agency's ability to meet its financial obligations.**

**The following tables detail the agency's remaining contractual maturity** for its financial liabilities, calculated based on undiscounted cash flows at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the balance sheet, which are based on discounted cash flows.

### 2020 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Payables <sup>1</sup>	22	22	-	-	22
Lease liabilities	21	21	-	-	21
<b>Total financial liabilities</b>	<b>43</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>43</b>

<sup>1</sup> Total amounts disclosed here exclude statutory amounts and accrued contract revenue

### 2019 Maturity analysis for financial liabilities

	Carrying amount	Less than a year	1 to 5 years	More than 5 years	Total
	\$000	\$000	\$000	\$000	\$000
Liabilities					
Payables <sup>1</sup>	10	10			10
<b>Total financial liabilities <sup>2</sup></b>	<b>10</b>	<b>10</b>			<b>10</b>

<sup>1</sup> Total amounts disclosed here exclude statutory amounts and accrued contract revenue

<sup>2</sup> 2018-19 figures varies from published version due to rounding

#### d) Market risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk. NTEC has relatively limited exposure to market risk.

##### (i) Interest rate risk

NTEC is not exposed to interest rate risk as agency financial assets and financial liabilities are non-interest bearing.

##### (ii) Price risk

NTEC is not exposed to price risk as it does not hold units in unit trusts.

##### (iii) Currency risk

NTEC is not exposed to currency risk as it does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

## 28. RELATED PARTIES

### (i) Related parties

The Northern Territory Electoral Commission (NTEC) is a government administrative entity and is wholly owned and controlled by the Territory Government. Related parties of the department include:

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly
- close family members of the portfolio minister or KMP including spouses, children and dependants
- all public sector entities that are controlled and consolidated into the whole of government financial statements
- **any entities controlled or jointly controlled by KMP's or the portfolio minister, or controlled or jointly controlled by their close family members.**

### (ii) Key management personnel (KMP)

Key management personnel of NTEC are those persons having authority and responsibility for planning, directing and controlling the activities of Commission. These include the Chief Minister and the Electoral Commissioner.

### (iii) Remuneration of key management personnel

The details below excludes the salaries and other benefits of minister as the minister's remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within **the Treasurer's annual financial statements.**

The aggregate compensation of key management personnel of NTEC is set out below:

	2019-20	2018-19
	\$000	\$000
Short-term benefits	252	271
Post-employment benefits	25	25
Long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>277</b>	<b>296</b>

### (iv) Related party transactions

#### Transactions with Northern Territory Government-controlled entities

**The department's primary ongoing source of funding is received from the Central Holding Authority in the form of output and capital appropriation and on-passed Commonwealth national partnership and specific-purpose payments.**

The following table provides quantitative information about related party transactions entered into during the year with all other Northern Territory Government-controlled entities.

2020

Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
<i>All NTG departments</i>	803	1 226	6	80

2019

Related party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
	\$000	\$000	\$000	\$000
<i>All NTG departments</i>	626	811	-	9

The Commission's transactions with other government entities are not individually significant.

#### Other related party transactions are as follows

Given the breadth and depth of Territory Government activities, related parties will transact with the Territory public sector in a manner consistent with other members of the public including paying stamp duty and other government fees and charges and therefore these transactions have not been disclosed.

#### 29. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

NTEC had no material contingent liabilities or contingent assets in 2019-20 and 2018-19.

#### 30. 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.

#### 31. ACCOUNTABLE OFFICER'S TRUST ACCOUNT

In accordance with section 7 of the *Financial Management Act 1995*, an **Accountable Officer's Trust Account** has been established for the receipt of money to be held in trust.

There was no activity in the **Accountable Officer's trust account** in 2019-20 and 2018-19.

## 32. BUDGETARY INFORMATION

### Comprehensive operating statement

	2019-20 Actual	2019-20 Original budget	Variance	Note
	\$000	\$000	\$000	
<b>INCOME</b>				
Grants and subsidies revenue				
Current	2	14	(12)	
Appropriation				
Output	2 498	2 718	(220)	1
Sales of goods and services	75	50	25	
Goods and services received free of charge	724	610	114	2
Other income	4	-	4	
<b>TOTAL INCOME</b>	<b>3 303</b>	<b>3 392</b>	<b>(89)</b>	
<b>EXPENSES</b>				
Employee expenses	2 000	1 331	(669)	3
Administrative expenses				
Purchases of goods and services	881	1 445	564	4
Property management	26	-	(26)	
Repairs and maintenance	-	6	6	
Depreciation and amortisation	140	121	(19)	
Other administrative expenses	726	610	(116)	2
Interest expenses	-	-	-	
<b>TOTAL EXPENSES</b>	<b>3 773</b>	<b>3 513</b>	<b>(260)</b>	
<b>NET SURPLUS/(DEFICIT)</b>	<b>(470)</b>	<b>(121)</b>	<b>(349)</b>	
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>COMPREHENSIVE RESULT</b>	<b>(470)</b>	<b>(121)</b>	<b>(349)</b>	

#### Notes:

Reduction related to transfer of finance function and Machinery of Government (MoG) to DCIS.  
Transfer of 1 FTE to DCIS due to MoG.

Additional staff hired for Johnston by-election and 2019 redistribution for which no Treasurer's advance was sought. Additional staff hired for City of Darwin Lyons by-election which they reimbursed.  
Delay with election related travel and remote enrolment program due to COVID-19.

## Balance Sheet

	2019-20 Actual \$000	2019-20 Original budget \$000	Variance \$000	Note
<b>ASSETS</b>				
Current assets				
Cash and deposits	69	254	(185)	1
Receivables	26	27	(1)	
Prepayments	11	-	11	
Total current assets	106	281	(175)	
Non-current assets				
Property, plant and equipment	197	307	(110)	2
Intangibles	142	-	142	2
Total non-current assets	339	307	32	
<b>TOTAL ASSETS</b>	<b>445</b>	<b>588</b>	<b>(143)</b>	
<b>LIABILITIES</b>				
Current liabilities				
Payables	114	23	(91)	3
Borrowings and advances- <i>lease liabilities</i>	21	-	(21)	4
Provisions	255	197	(58)	
Total current liabilities	390	220	(170)	
<b>TOTAL LIABILITIES</b>	<b>390</b>	<b>220</b>	<b>(170)</b>	
<b>NET ASSETS</b>	<b>55</b>	<b>368</b>	<b>(313)</b>	
<b>EQUITY</b>				
Capital	2 057	2 057	-	
Reserves	-	68	(68)	
Accumulated funds	(2 002)	(1 757)	(245)	
<b>TOTAL EQUITY</b>	<b>55</b>	<b>368</b>	<b>(313)</b>	

### Notes:

Increased expenses in preparation for the August 2020 elections.

Recognition of computer software as intangibles.

Increased expenses in preparation for the August 2020 elections.

Adoption of AASB 16 Leases accounting standard.

## Cash flow statement

	2019-20 Actual \$000	2019-20 Original budget \$000	Variance \$000	Note
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating receipts				
Grants and subsidies received				
Current	2	14	(12)	
Appropriation				
Output	2 498	2 718	(220)	1
Receipts from sales of goods and services	151	50	101	2
Interest received	-	-	-	
Total operating receipts	<u>2 651</u>	<u>2 782</u>	<u>(131)</u>	
Operating payments				
Payments to employees	(1 900)	(1 331)	(569)	3
Payments for goods and services	(902)	(1 451)	549	4
Interest paid	-	-	-	
Total operating payments	<u>(2 802)</u>	<u>(2 782)</u>	<u>(20)</u>	
Net cash from/(used in) operating activities	<u>(151)</u>	<u>-</u>	<u>(151)</u>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Financing payments				
Finance lease payments	(25)	-	(25)	5
Total financing payments	<u>(25)</u>	<u>-</u>	<u>(25)</u>	
Net cash from/(used in) financing activities	<u>(25)</u>	<u>-</u>	<u>(25)</u>	
Net increase/(decrease) in cash held	(176)	-	(176)	
Cash at beginning of financial year	245	254	(9)	
<b>CASH AT END OF FINANCIAL YEAR</b>	<u>69</u>	<u>254</u>	<u>(185)</u>	

### Notes:

Reduction related to transfer of finance function and Machinery of Government (MoG) to DCIS.  
Reimbursed costs from the Darwin City Council Lyons by-election.

Additional staff hired for Johnston by-election and 2019 redistribution for which no Treasurer's advance was sought. Additional staff hired for City of Darwin Lyons by-election which they reimbursed.

Delay with election related travel and remote enrolment program due to COVID-19.

Adoption of AASB 16 Leases accounting standard.