

VOTING



Electoral Commission Annual Report

Te Kaitiaki Take Kōwhiri
Te Pūrongo ā Tau

For the year ended 30 June 2019

To Hon Minister of Justice

It is a pleasure to provide to you, for presentation to Parliament, the Electoral Commission's 2019 Annual Report, Te Kaitiaki Take Kōwhiri, as required by section 150(3) of the Crown Entities Act 2004.

The report covers the Commission's achievements against objectives from its 2018/19 - 2023/24 Statement of Intent and the performance measures and budget set out in the 2018/19 Statement of Performance Expectations.

We would like to thank all those who helped make this year a success, particularly Commission staff who again showed their dedication to providing services that help ensure New Zealand has a healthy democracy. This report covers the final year of Sir Hugh William's tenure in office.

We wish to acknowledge the contribution of Sir Hugh, who served as Chair of the Commission's Board for 10 years before his departure in August 2019. Sir Hugh was always looking for ways to improve services to voters and make it as easy as possible for New Zealanders to enrol and vote. We are grateful for his wise guidance.

Deputy Chair Kristy McDonald also stepped down from the Board. We thank her for her hard work and service, and her valuable insights and contributions, particularly in the area of security.



Marie Shroff
Chair



Jane Meares
Deputy Chair



Alicia Wright
Chief Electoral Officer

November 2019



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Introduction

It is our role to administer the electoral system, and do that in ways that maintain New Zealanders' confidence in, and understanding of the system, as well as to encourage participation in our parliamentary democracy.

We work in three yearly cycles that build towards a general election in the third year. This year was the first year of a new cycle - following on from the successes and challenges of the general election in 2017.

It was a year of review, analysis, planning and preparation towards the next general election - expected to be in 2020, as well as delivering the ongoing tasks and events that are part of New Zealand's robust electoral system¹.

Among the key activities this year were:

- planning and preparing for the 2020 general election (and possible referendums at the time of the general election) including streamlining and strengthening operational processes and systems
- reviewing and strengthening our approaches to physical and cyber security
- completing the review of the Māori Electoral Option and preparing for the 2019 boundary review
- completing the update of enrolments before local body elections and raising awareness of the need to enrol
- advising on a number of electoral policy and legal matters.

Overall it was a successful year and we met most of our performance targets. Accuracy and integrity of the roll was maintained, overall enrolment levels were on target, and we saw an increase in enrolment transactions that took place digitally with a reduction in the correspondence we sent by post. One target that we missed, despite considerable efforts, was in the area of youth enrolment. This was lower than we had hoped, prompting us to review our youth participation strategy in 2019/20. We did, however, see gains in the provisional roll for 17-year-olds, a group we had increased focus on in 2018/19.

Next year's general election is likely to be the most demanding yet. For the first time, people may be able to enrol on Election Day², which requires considerable preparation on our part. Voters are also likely to be asked one or more referendum questions. We will need to recruit as many as 25,000 temporary staff to keep voting places running smoothly and be able to deliver preliminary and official results on time. We are now well under way with preparations.

¹ These include promoting compliance with electoral laws, managing the registration of electoral parties, allocating funds for broadcasting election programmes, updating the Māori Electoral Option, supplying information for the Māori Affiliation Service, helping support the Representation Commission, and educating New Zealanders about the benefits of enrolling and voting. We also provide development assistance to electoral agencies in the South Pacific.

² Various amendments to the Electoral Act 1993 are currently being considered by Parliament, including extending enrolment opportunities to Election Day.

Key activities

Internationally, New Zealand is ranked very highly for the quality and transparency of our democratic processes. The Commission aims to protect the integrity of the electoral system in a variety of ways including:

- delivering well-run electoral events
- keeping our electoral rolls up-to-date, accurate and secure
- ensuring the physical security of our staff, property and materials, and cyber security of our systems and information
- improving our operational processes
- providing policy advice on electoral matters
- giving support and advice to political parties, candidates and others to help them comply with their legal obligations
- encouraging participation by making it easier for people to enrol and vote.

During this year, a great deal of our work was focused on preparing for the general election in 2020 and making it easier for people to enrol and vote.

Planning and preparation for GE2020

Trust in the electoral process is created and maintained by the delivery of well-run electoral events.

After the last general election in 2017, we looked hard at what worked well and what areas we wanted to change or improve. The election in 2020 is expected to include the new opportunity for voters to enrol on election day; the likely need to organise one or two referendums, and a predicted big increase in advance voting and special votes. We have been working on the implications of these changes and introducing some different ways of doing things to prepare. Due to the complexity of this election we have been planning and acting earlier than for previous elections.

Areas of focus are detailed below. In addition, operational preparations during this year have included:

- changing our field structures to better align enrolment and voting services
- identifying the support requirements of each electorate
- identifying the requirements for overseas voting
- starting recruitment for key electoral roles, including regional managers and regional advisors.

Preparing for the referendum(s)

At the same time as the general election in 2020 there is likely to be a referendum on cannabis and possibly end of life. During 2018/19 we looked at the operational impacts of the potential referendums including changes to IT systems and business processes, implications for smooth running of voting places, and consideration of the information voters would need to make informed choices. We have been working closely with the Ministry of Justice on planning particularly in the area of voter awareness and information on the referendums.

Improving safety and security

We are operating with greater challenges than in the past - around integrity of information and systems as well as safety of places, people and voting materials. Increased levels of security (both physical and cyber) are of critical importance to the integrity of the election process. Electoral management bodies overseas have been targets for cyber-attacks, misinformation campaigns and international interference. Given recent international and national events including the Christchurch mosque attacks, New Zealand cannot consider itself immune to such security risks.

We have a programme in place to face these challenges. This has included seeking advice from appropriate agencies and experts and looking internationally to identify good approaches to both cyber and physical security concerns. We are putting appropriate governance arrangements in place and collaborating across the public sector. We are working closely with our international counterparts.

The Commission's security strategies have included a comprehensive threat assessment at both local and national levels. Practical solutions are being developed such as improved security standards for properties, staff and voters.

Centralising overseas, dictation and remote voting

Centralising and streamlining how we manage overseas, dictated and remote votes was a significant project in 2018/19. The goal is to improve the processing, security and management of an expected 90,000 special votes from these sources at the 2020 general election. As well as improving the integrity of how we manage overseas votes, this will help relieve pressure on electorates as they complete the official count.

Our simulations and testing programme

We conduct tests and simulations of voting place environments, scenarios and processes in preparation for each general election. Our first test in April 2019 focused on identifying how long it took to issue mock voting and referendum papers for ordinary and special votes in ordinary and confined physical spaces. Over the next year we will conduct a number of other similar events. Information from the tests will help us refine voting place operations including queue management, determine the staff structures at voting places and the number of voting staff to be recruited to maintain good service levels.

Keeping the electoral rolls up-to-date

We have systems in place to continuously update the rolls as people enrol for the first time, change address or update their details in some other way. We have 20 regional offices staffed by 23 Registrars of Electors and 32 deputies, who help compile and maintain the electoral rolls in order to be ready for general and local body elections, by-elections and referendums. At 30 June 2019, roll accuracy was 88.7 per cent. This exceeded our target of at least 85 per cent, validating the integrity of our quality assurance processes.



Policy advice and guidance

We provided policy advice and guidance on a considerable range of matters during the year, including the Inquiry into the 2017 general election, foreign interference, development of the Electoral Amendments Bill, the referendums' framework legislation, and accessibility of cannabis referendum materials and processes.

We have provided advice and guidance during the year through:

- acting as advisors on the Electoral Access Fund Bill
- acting as advisors and providing support to the Justice Select Committee review of the 2017 general election and 2016 local body elections
- appearing before a Parliamentary Committee on the Annual Review of the Electoral Commission
- working closely with and providing advice to a range of government departments and agencies, especially the Ministry of Justice.

Amendments likely to happen to the Electoral Act 1993 will help us provide better services to electors during the general election and will allow us to streamline and strengthen our election processes.

Guidance for political parties, candidates and third parties

We give advice to political parties, candidates and any others who approach us about electoral matters. We are often asked for our view about whether an advertisement constitutes an election advertisement under the Electoral Act 1993. In 2018/19, we received 14 such requests. We responded to 13 of these requests within five working days. On average, we responded in fewer than 1.5 days.

Stabilising funding for the future

The Commission's operations and delivery of the general elections have historically been funded by a partial baseline allocation. We have continued to work this year to secure funding for this electoral cycle and put in place a more stable funding model for the Commission for the future. This work continues in 2019/20.

Making it easier for people to enrol, vote and take part

One of our key tasks is to help people understand and take part in the electoral system. We aim to do this by making it easier for people to enrol and vote, providing clear and accessible information, making interactions with us straightforward and providing advice and guidance on electoral matters.

Strategies pursued during 2018/19 included:

- enhancing on-the-ground and face-to-face enrolment activities
- improving enrolment services in voting places, and introducing election day enrolment
- improving services to Māori voters
- strengthening relationships with communities and retail partners
- making it easier to interact and communicate with us, including improving digital channels.

On-the-ground enrolment activities

The average number of people on the electoral roll in 2018/19 was 3.293 million, slightly ahead of our target of 3.29 million.

Getting out into the community has enabled us to more effectively drive home the message that enrolling is important, but it counts for little if people don't follow that up by voting. During the year, our head office staff worked with our nationwide network of Registrars of Electors, Community Engagement Advisers and Youth Coordinators to connect directly with those less likely to enrol and vote, such as youth, Māori, Pacific Peoples and those in culturally and linguistically diverse communities.

Despite an increase in the number of young voters at the 2017 general election, enrolment rates among those aged between 18 and 24 declined slightly this year. (The number of enrolled individuals in this age group was 301,000, compared with a target of 315,000.) To counter this trend, our field staff have worked with schools in various ways (such as mock elections) to raise awareness of the importance of voting. The result has been a significant increase in the number of 17-year-olds enrolled on the provisional roll. This is a vital step in establishing a habit of participating in elections. During the year, we strengthened or formed new alliances with youth-based organisations, including universities, and this gave our community liaison and youth advocate staff the opportunity to attend a variety of events involving young people. We continue to refine our approach to reaching out to young people.

Voting and enrolling at the same time

At the 2017 general election, people could more easily enrol and vote at any advance voting place before Election Day. These services were very popular, with 85,000 people using enrolment services at advance voting places. We have worked this year on planning further improvements to these services.

In June 2019, the Government announced it would introduce legislation amending the Electoral Act 1993 to make it easier to vote by:

- allowing enrolment on election day ("same-day enrolment")
- allowing voting places to be set up in places where people live, work and play, such as supermarkets and malls.

We were aware the Government intended introducing amendments to the Act in time for the 2020 general election, and this allowed us to begin planning for the changes during this financial year. Election Day enrolment will require considerable modifications to our systems and processes and will also require about 2,500 more temporary staff.

More enrolment and voting venues

At the general election in 2017 we ran voting places in seven Westfield shopping malls and Foodstuffs supermarkets in Auckland. These were very successful with almost 35,000 people casting votes at the supermarket sites alone. At the Northcote by-election in June 2018 we had a voting place at The Warehouse and nearly a third of all advance votes were cast at that site. In 2018/19, we continued to work with Foodstuffs and The Warehouse on offering more voting places at the companies' retail spaces during the 2020 election. We have also been looking at retail spaces in the regions and rural areas and have established a partnership with Farmlands Co-operative Society to offer enrolment and voting services at its network of stores.

Forthcoming amendments to the Electoral Act 1993 will enable us to set up voting booths at a greater range of venues. Currently, we cannot operate from places that sell alcohol, so our voting places were outside rather than inside supermarkets. Nor can we count votes away from the place where we collected them, ruling out public open spaces that would otherwise be convenient for, and popular with, voters.

Services to Māori voters

As part of our commitment to improved services to Māori, we held a nationwide series of *kōrero* in 2018 with Māori communities across New Zealand. This was to help us better understand Māori experiences of enrolling and voting, and what works to encourage people to participate. After those *hui* we returned to communities to feed back what we heard from those conversations and look at practical ways of improving our services for Māori electors.

We have developed a plan that builds on this information and will see our regional staff work with a network of community people to inform how we deploy enrolment and voting services. This will include information about job opportunities during election time.

Community partnerships

During the year our nationwide network of Registrars of Electors, Community Engagement Advisers and Youth Coordinators worked directly with those less likely to enrol and vote including Pacific Peoples and culturally and linguistically diverse communities.

This included a series of Pacific Peoples' *fono* to connect and better engage with the electoral needs of Pacific peoples. These have provided clear recommendations on future strategies for engagement and education.

We have also established community partnerships with relevant organisations including Multicultural New Zealand and Immigration New Zealand.

In the lead up to the local body elections, we have worked with local body Electoral Officers and the Society of Local Government Managers, as well as the private providers of electoral services to local authorities, to review and refine their processes around elector data, special votes and candidate nominations for local body elections.

New websites

To make our internet presence more accessible and informative, we replaced elections.org.nz with two new websites, vote.nz and elections.nz. [Vote.nz](http://vote.nz) contains simplified information and helps people to check their eligibility to vote, to enrol to vote, or check that their enrolment details are up to date. [Elections.nz](http://elections.nz) contains background material on the electoral system, election rules and results, enrolment data, and the role of the Commission. We launched the websites in June 2019, in time for local body elections in October 2019.

Digital enrolment

Voters rightly expect to be able to enrol online with minimal effort and we have been working towards enabling this. Enrolling easily online will have the benefit of reducing the number of special votes, easing pressure on voting places and streamlining election processing. In 2018/19, we began developing an online service that allows people to enrol or update their details using just their driver's licence or passport number as proof of identity. We are also building a mobile device application and introducing other technology improvements that will make enrolling easier. These will be in place in time for the 2020 general election.

This year 15.2 per cent of our enrolment transactions took place through digital channels, compared with our target of 10 per cent. We also achieved a reduction in the use of postal services, sending an average of 1.19 items of correspondence per elector compared with our target of 1.27 items. These two measures are a positive achievement - reducing the cost of postal services and indicating that we were making better use of postal communications with better targeting and more efficient use of our print communications. Over time we will continue to increase our target for digital enrolment transactions as we implement and refine our digital channels.

Targeted resources

We are expanding our communication materials in a wider range of languages, that builds from te reo Māori and New Zealand Sign Language, and adding Mandarin, Samoan and Hindi. Users of our new websites can choose between 27 languages.

We have continued to work with the disability sector to provide information in accessible formats, including Easy Read, New Zealand Sign Language, Braille, Large Print, audio, eText and captioning. In November 2018, we received People First's Make It Easy Award for our Easy Guide to Voting, which is intended for those with learning disabilities. Our communications team worked with People First to write the guide using an Easy Read format of plain English plus pictures to illustrate the main points. The guide was distributed before the 2017 general election through the People First network, IHC and other organisations such as English Language Partners that work with people who have low literacy or use English as a second language.

Other Highlights

In addition to our election preparations and our ongoing work to encourage people to enrol and vote, we are involved in other electoral activities and events. In 2018/19 these included:

Māori Electoral Option

Every five years, we give all voters of Māori descent the opportunity to choose whether to be enrolled on the general roll or Māori roll. This process is a key part of identifying the number of Māori electorates, which is determined by Stats NZ.

This five-yearly exercise overlapped with the end of the 2018-19 year and the start of the following year (from April to August 2019). We ran a nationwide advertising campaign using television, radio, newspapers and social media platforms (including videos and posts by social influencers) to draw attention to the option. We also sent out almost half a million information packs with personalised forms to Māori electors as well as almost 15,000 texts to Māori electors on the dormant roll. In addition, we set up an interactive website to provide information and allow easy downloading of enrolment forms.

Extensive face-to-face engagement with community groups and stakeholders also took place. Eight community organisations and 27 Community Engagement Advisors helped with this work, which included attendance at more than 3,000 gatherings, such as sports tournaments, presentations to community groups and stalls at shopping malls and libraries.

The campaign resulted in 5,215 individuals enrolling for the first time, and 18,119 switching to or from the Māori roll. More than 95 per cent of Māori voters chose to stay where they were. When the option closed in August 52.4 per cent of Māori voters were on the Māori roll and 47.6 per cent were on the general roll.

The engagement campaign reached 84 per cent of Māori over 18 years old. Public awareness of the option rose from 68 per cent before the campaign to 81 per cent during it. The social media campaign, developed with VMLY&R, won a silver award at New Zealand's premiere advertising awards, the Beacons.

Boundary review

We prepared for the next review of parliamentary electorate boundaries by the Representation Commission, which is scheduled to get under way in October 2019 after the release of data from the 2018 census. Stats NZ and Land Information New Zealand assisted with these preparations, and they will also provide support to the Representation Commission during deliberations. The outcome of the review will determine electorates for the 2020 and 2023 general elections.

Suffrage celebrations

We collaborated with other government agencies to commemorate the 125th anniversary of women's suffrage in New Zealand. As part of this initiative, we released five videos that explored the meaning of suffrage today. We promoted the videos on Facebook, on our website and via our community engagement teams.

Local body elections

We provide local councils with roll data every three years so they can prepare voting papers for three-yearly local body elections. At the end of June 2019, we began posting out the first of 3.3 million information packs to enrolled voters. We also developed an advertising campaign involving TV, radio and digital channels to draw attention to the need to update voter details, and collaborated with councils to raise awareness and get as many people as possible signed up for the elections in October. We also sent an SMS txt to people on the dormant roll to encourage them to update their details. The campaign ended on 16 August 2019.

Help for electoral agencies in the Pacific

We have a well-established programme to help electoral agencies in Fiji and Papua New Guinea, and this work continued throughout 2018/19, funded by the Ministry of Foreign Affairs and Trade. In May 2019, discussions with Tonga concluded with the signing of a memorandum of understanding to expand that country's electoral capabilities over three years. The Ministry will fund this work, which will build on our existing arrangements with Tongan officials.

Our people

In 2018/19, we completed a people strategy, divided into the themes of leadership, culture, engagement, and skills and capabilities. We will need to amend some of our people-related systems, policies, processes and frameworks over the next three years, so they align with this new strategy.

Ehara taku toa i te toa takitahi, engari he toa takimano.
My strength is not the strength of one, but that of the collective.



Other key organisational activities undertaken during the year included:

- implementation of many of the recommendations of a 2018 independent review of our capacity and capability, among them a review of our regional structure and temporary field support
- continued training and development of staff, including on-the-job, in-classroom, e-learning and Prince2 project management training
- continued cultural knowledge and diversity training, including tikanga and te reo Māori training
- a review of remuneration to ensure appropriate salaries for staff
- a job-sizing review using the Korn Ferry Hay methodology
- the launch of a more comprehensive induction programme for new staff.

Good employer commitment

We promote equal employment opportunities in our recruitment, development and management practices, and are committed to being a good employer and employer of choice. We value our diverse workforce, our inclusive culture and our commitment to equality. The following policies and process are building blocks of our good-employer commitment:

- Strive to ensure our workload is fairly spread among staff.
- Run transparent and impartial recruitment processes.
- Operate a comprehensive induction process.
- Provide extensive induction training, followed by equal access to development and advancement opportunities.
- Develop and review individual personal development plans.
- Offer flexible working hours so staff can balance work and home commitments.
- Provide workplace facilities that are suitable for disabled staff and visitors.
- Have a transparent remuneration system, provide a top-up to government-paid parental leave, offer study leave, reimburse professional fees.
- Have – and enforce – anti-harassment, anti-discrimination and anti-bullying policies.
- Provide a safe and healthy work environment through employee assistance programme services, free flu vaccinations, eye checks and optional stand-up workstations.

Workforce profile

We have a dedicated workforce whose ethnic diversity closely reflects the makeup of the community we serve. As at 30 June 2018, 11 per cent of our permanent staff were Māori, 7 per cent were Pacific Peoples and 5 per cent were Asian. Turnover is in line with the average for public sector organisations (12 per cent). Note that three permanent positions were vacant at 30 June 2019.

Permanent staff as at 30 June

		2019	2018
Staff numbers	Staff	113	109
Gender	Female	73%	70%
	Male	27%	30%
Age profile	<30 years	6%	6%
	30-39 Years	18%	13%
	40-49 years	32%	28%
	50-59 years	27%	33%
	>60 years	16%	20%
Length of service with the Commission and its predecessors	<3 years	37%	35%
	3-10 years	32%	35%
	>10 years	31%	30%
Staff turnover	Percentage	12%	12%

Performance
measures

Performance Measures

We aim to maintain a healthy democracy where people:

- understand the electoral system
- trust the electoral process
- value their vote and take part in the electoral process.

These goals, and how we achieve them, are set out in the graphic below and form the basis for reporting on our performance.



The following is a summary of performance against the measures published in our Statement of Intent and Statement of Performance Expectations for the year. Performance is shown for four result areas (outputs), grouped by key impact, as well as three additional measures included in the Electoral Services non-department appropriation for Vote Justice for 2018/19.

Electors have trust in the electoral process**Output 1: Maintaining and protecting the integrity of the electoral system**

2018/19 Measure	Target	Comparative	2018/19 Result	Comment
Percentage of accuracy of the electoral roll as determined by annual independent research	85% or more	Revised measure and method	88.7%	Accuracy of the roll changes depends on various factors, including volumes of electors updating their details. During the lead-up to a general election, accuracy levels rise as more people update their details.
Adherence to the Commission's quality assurance practices around the integrity of the roll	100%	New measure	100%	
Percentage of enrolment transactions that are conducted digitally	10%	New measure	15.2%	This measure, along with the measure on postal correspondence, show that the Commission's drive to include digital channels as a method of interacting with electors is proving successful.

Output 2: Conduct of general election, by-elections and referendums

2018/19 Measure	2018/19 Result
Percentage of electors within 5km of a voting place or advance voting place	N/A this year
Percentage of disallowed party special votes	N/A this year
Percentage of special declaration votes	N/A this year

People understand the electoral system

Output 3 - Provision of information

2017/18 Measure	Target	Comparative	2018/19 Result	COMMENT
*Percentage of advisory opinions issued within five working days	95%	Revised measure ³	93%	The average response time was 1.4 days. There were 14 requests covering 17 items. Seven requests were responded to on the same day, and six requests were responded to within five days. One request took longer than the target of five days.
Average number of pieces of correspondence to electors by post	1.27	New measure	1.19	This is a successful result. The Commission is developing other means of interacting with electors, including digital channels, to reduce reliance on postal services.

* This measure is included in the Electoral Services non-department appropriation for Vote Justice for 2018/19.

People value their vote and take part

Output 4: Facilitation of participation

2018/19 Measure	Target	Comparative	2018/19 Result
Number of people enrolled (monthly average reported annually)	3.29m	Revised measure ⁴	3.293m
Number of 18 to 24-year-olds enrolled (monthly average reported annually)	0.315m	Revised measure ⁵	0.301m
Turnout of enrolled electors		N/A this year	
Turnout of enrolled electors who are 18 to 24 years old		N/A this year	
Turnout of enrolled electors of Māori descent		N/A this year	
Voting staff reflect the communities they serve: Māori Pacific Asian		N/A this year	

³ The way we are reporting on completion of advisory opinions has changed from the previous annual report. We are now reporting the percentage completed within the target of 5 working days rather than the average time taken (1.78 days in 17/18).

⁴ We have changed the way we are reporting on enrolment levels from the previous annual report (2017/18). This used the percentage of the estimated eligible population, which relied on estimated data from Stats NZ. The new measure is simply the number of people enrolled, which removes reliance on an estimated population and variances in that data.

⁵ As above.

Other measures as included in the estimates of appropriation

These measures are included in the Electoral Services non-department appropriation for Vote Justice for 2018-19.

2018/19 Measure	Target	Comparative	2018/19 Result	COMMENT
Percentage of eligible electors enrolled at 30 June 2019	90.9% or more	New measure	90.0%	The roll fluctuates depending on various factors, including how many electors are updating their details. During the lead-up to a general election, roll levels rise as more people update their details.
Release of by-election results: Full preliminary count results published by 10pm	100%			N/A for this year
Release of referendum (postal) results – preliminary results published by 8.30pm on the last day of the voting period	100%			N/A for this year

The Commission has reviewed and revised its goals and targets, and the approach to measuring them over the next five years. These can be found in the 2019-24 Statement of Intent and 2019-20 Statement of Performance Expectations.



Financial Sustainability

Appropriations were provided by Parliament under the output class, 'provision of electoral services' for the operating costs of the Commission, the conduct of the General Election, the conduct of the Māori Electoral Option, and for the planning and preparation of the Cannabis Referendum.

The Electoral Services appropriation is limited to funding services relating to the administration of parliamentary elections and referendums; services relating to the maintenance of electoral rolls, including all activities required to register electors and produce electoral rolls as required by law; servicing the work of the Representation Commission; and the provision of advice, reports and public education on electoral matters.

A summary of expenditure by output and associated revenues is provided in the following table. A summary of the key variances against budget is provided in Note 17 in the Financial Statements section.

We received additional funding through the year from the New Zealand Ministry of Foreign Affairs and Trade, under the New Zealand Aid Programme to provide assistance to the Fiji, Bougainville and Papua New Guinea electoral authorities. In total the Commission received \$1.918m and spent \$1.874m on the assistance work.

The net result for the year was a deficit of \$0.792m against a forecast surplus of \$1.951m.

A funding bid was submitted for Budget 2019 and additional monies to conduct a well-run, risk-mitigated general election in 2020 were agreed.

Work towards establishing a more stable and predictable funding model has begun and will help the Commission to be able to plan with more certainty for future elections.

Our expenditure for each output during the year is summarised on the next page.

Output expenditure 2018/2019

	Actual (\$m)	Forecast (\$m)
Output class – Provide electoral services		
Output area – Electors have trust in the electoral process	\$19.008	\$16.507
Output 1: Maintaining and protecting the integrity of the electoral system		
Output 2: Conducting of general election, by-elections and referendums		
Output area – People understand the electoral system	\$1.954	\$2.213
Output 3: Provision of information		
Output area – People value their vote and take part	\$4.765	\$3.928
Output 4: Facilitation of participation		
Output class – Broadcasting allocation	\$0	\$0
Allocate broadcasting funding to eligible political parties		
Total expenditure by output	\$25.727	\$22.648
Revenue		
Crown revenue	\$24.496	\$24.200
Other revenue	\$0.395	\$0.399
Total revenue	\$24.891	\$24.599
Operating deficit	\$(0.833)	\$1.951
Other activity		
International assistance expenditure	\$1.874	\$1.826
Assistance to Pacific Nations in association with Ministry of Foreign Affairs and Trade		
International assistance revenue	\$1.918	\$1.826
Assistance to Pacific Nations in association with Ministry of Foreign Affairs and Trade		
Net result (including international assistance)	\$(0.792)	\$1.951

Financial statements

Statement of revenue and expense for year ended 30 June 2019

		2019	2019	2018
		Actual	Budget	Actual
	Notes	\$000	\$000	\$000
REVENUE				
Funding from Crown	2	24,496	24,200	58,647
Funding from Crown – Broadcasting Allocation	2	-	-	3,377
Interest Received		200	250	238
Other Income		195	150	1,234
International Aid Programme		1,918	1,825	1,819
Total Revenue		26,809	26,425	65,315
EXPENDITURE				
Personnel and Board Fees	3	12,994	10,285	29,381
Operating Costs	4	14,100	13,703	32,612
Broadcasting Allocation		-	-	3,377
Depreciation and Amortisation Expense	8,9	436	419	421
Audit Fees		71	67	74
Total Expenditure		27,601	24,474	65,865
Surplus/(Deficit)		(792)	1,951	(550)
Other Comprehensive Revenue and Expense				
		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		(792)	1,951	(550)

Explanations of significant variances against budget are detailed in note 17.

Statement of financial position as at 30 June 2019

		2019	2019	2018
		Actual	Budget	Actual
	Notes	\$000	\$000	\$000
CURRENT ASSETS				
Cash and cash equivalents	5	10,308	5,422	8,850
Receivables	6	489	16	269
Prepayments		65	-	2
Inventories	7	497	325	298
Total Current Assets		11,359	5,763	9,419
NON-CURRENT ASSETS				
Property, Plant and Equipment	8	766	2,514	323
Intangible Assets / Work in Progress	9	2,043	-	2,160
Total Non-Current Assets		2,809	2,514	2,483
TOTAL ASSETS		14,168	8,277	11,902
CURRENT LIABILITIES				
Deferred Revenue	10	2,792	388	2,074
Payables	10	3,965	431	1,698
Employee Entitlements	11	1,262	383	1,201
Total Current Liabilities		8,019	1,202	4,973
NON-CURRENT LIABILITIES				
Employee Entitlements	11	79	27	67
Total Non-Current Liabilities		79	27	67
TOTAL LIABILITIES		8,098	1,229	5,040
NET ASSETS		6,070	7,048	6,862
Equity				
Accumulated surplus/(deficit)	13	6,070	7,048	6,862
Total Equity		6,070	7,048	6,862

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Statement of changes in equity for year ended 30 June 2019

		2019	2019	2018
		Actual	Budget	Actual
	Notes	\$000	\$000	\$000
Balance at 1 July		6,862	5,097	7,412
Total comprehensive revenue and expense for the year		(792)	1,951	(550)
Balance at 30 June	13	6,070	7,048	6,862

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2019

		2019	2019	2018
		Actual	Budget	Actual
	Notes	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Crown		24,496	24,200	62,024
Interest received		200	250	238
Receipts from other revenue		2,987	3,467	2,171
Payments to Employees		(13,222)	(10,121)	(29,067)
Payments to Suppliers		(12,242)	(17,122)	(37,929)
Net cash flow from operating activities		2,216	674	(2,563)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of property, plant and equipment		-	-	-
Purchase of property, plant and equipment		(621)	(60)	(54)
Purchase of intangible assets		(140)	-	-
Net cash flows from investing activities		(761)	(60)	(54)
CASH FLOWS FROM FINANCE ACTIVITIES				
Capital contributions		-	-	-
Net cash flows from investing activities		-	-	-
Net increase/(decrease) in cash and cash equivalents		1,458	614	(2,617)
Cash and cash equivalents at beginning of year		8,850	4,808	11,467
CASH AND CASH EQUIVALENTS HELD AT YEAR END	5	10,308	5,422	8,850

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Reconciliation of net surplus/ (deficit) to net cash flow from operating activities

	2019	2018
	Actual	Actual
	\$000	\$000
Net surplus/(deficit)	(792)	(550)
Add/(Less) non-cash items		
Depreciation and amortisation expense	436	421
Total non-cash items	436	421
Add/(less) movements in financial position items		
(Increase)/decrease in debtors and prepayments	(50)	102
(Increase)/decrease in inventories	(199)	(297)
(Increase)/decrease in GST refund	(233)	408
Increase/(decrease) in creditors and other payables	2,981	(2,938)
Increase/(decrease) in employee entitlements	73	291
Net movement in working capital	2,572	(2,434)
Net cash flow from operating activities	2,216	(2,563)

ELECTORAL COMMISSION NOTES TO THE FINANCIAL STATEMENTS

1. Statement of accounting policies

Reporting Entity

The Commission is a Crown entity defined by the Crown Entities Act 2004, and is domiciled and operates in New Zealand. The relevant legislation governing The Commission's operations includes the Electoral Act 1993, the Crown Entities Act 2004, the Broadcasting Act 1989, the New Zealand Flag Referendums Act 2015 while applicable, and the Referenda (Postal Voting) Act 2000. The Commission's ultimate parent is the New Zealand Crown.

The Commission's functions and responsibilities are set out in the Electoral Act 1993 and subsequent amendments.

The Commission's statutory purpose is:

"to administer the electoral system impartially, efficiently, effectively, and in a way that –

- (a) facilitates participation in parliamentary democracy; and
- (b) promotes understanding of the electoral system; and
- (c) maintains confidence in the administration of the electoral system."

The Commission has designated itself as a public benefit entity (PBE) for financial reporting purposes of complying with generally accepted accounting practice.

The financial statements for the Commission are for the year ended 30 June 2019, and were approved by the Board on 31 October 2019.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of Compliance

The financial statements of the Commission have been prepared in accordance with the requirements of the Crown Entities Act 2004, except section 149I (c)(i). The financial statements comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Commission is a Tier 1 entity and the financial statements have been prepared in accordance with PBE standards.

These financial statements comply with PBE standards.

Non-compliance with Crown Entities Act

The Commission was compliant with all requirements regarding publication of our Annual Report, Statement of Performance Expectation and Statement of Intent, aside from a breach of section 149I (c)(i). This provision required the Commission to provide the final statement of performance expectations to the responsible Minister as soon as practicable after receiving comment from the Minister on the draft report, but before the start of the financial year to which the document pertained.

The Commission was late in returning the final document to the Minister due to the delay in establishing the Commission's funding for the 2019/20 and 2020/21 financial years. Once confirmed, the final document was provided to the Minister.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Standard early adopted

In line with the Financial Statements of the Government, the Commission has elected the early adoption of PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 18.

Standards issued and not yet effective and not adopted early

Standards and amendments, issued but not yet effective, that have not been adopted early are:

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Commission does not intend to adopt the amendment early.

PBE IPSAS 34-38

PBE IPSAS 34-38 replace the existing standards for interests in other entities (PBE IPSAS 6-8). These new standards are effective for annual periods beginning on or after 1 January 2019. The Commission will apply these new standards in preparing the 30 June 2020 financial statements. No effect is expected as a result of this change.

PBE IPSAS 41 Financial Instruments

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although the Commission has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Commission has not yet determined how the application of PBE FRS 48 will affect its statement of performance.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to Inland Revenue (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow as part of payments to suppliers in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Commission is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

- Useful lives and residual values of property, plant and equipment – see Note 8.
- Assessing the useful lives of software – see Note 9.
- Measuring long service leave and retirement gratuities – see Note 11.

Budget and forecast figures

The 2019 budget figures are for the year ended 30 June 2019 and were published in the 2018/19 Statement of Performance Expectations. They are consistent with The Commission's best estimate financial forecast information submitted to the Minister of Justice for the year ending 2018/19.

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

2. Revenue

The specific accounting policies for significant revenue items are explained below:

Funding from the Crown

The Commission is primarily funded from the Crown. This funding is restricted in its use for the purpose of the Commission meeting the objectives specified in the Electoral Act 1993 and other relevant acts, and the scope of the relevant appropriations of the funder.

Revenue from the Crown is measured based on the Commission's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding and it is recognised as revenue at the point of receipts. The Commission revenue is non-exchange revenue.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Sale of publications

Sales of publications are recognised as revenue when they are sold to the customer.

Breakdown of revenue

	2019	2018
	Actual	Actual
	\$000	\$000
Core services of the Electoral Commission	24,200	57,749
Election Broadcasting (Parliamentary Legislative Authority)	-	3,377
Conduct of the Northcote By-Election	-	898
Preparation of Cannabis Referendum	296	-
Total Revenue from the Crown	24,496	62,024

The Commission has been provided with funding from the Crown for the specific purpose of the Commission as set out in its founding legislation and the scope of the relevant government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to the government funding.

3. Personnel Costs

Accounting policy

Salary and wages

Salary and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined Contribution schemes

Employer contribution to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Saving Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs

	2019	2018
	Actual	Actual
	\$000	\$000
Salaries and wages	11,609	28,508
Increase/(decrease) in employee entitlements	80	291
Employer contributions to defined benefit plans	300	445
Other personnel costs	1,005	137
Total personnel costs	12,994	29,381

Employee Remuneration

Remuneration and other benefits of \$100,000 or more paid or payable to employees for the year were:

	2019	2018
\$100,000 - \$109,999	8	3
\$110,000 - \$119,999	3	2
\$120,000 - \$129,999	1	4
\$130,000 - \$139,999	5	2
\$140,000 - \$149,999	3	-
\$150,000 - \$159,999	2	3
\$160,000 - \$169,999	1	2
\$170,000 - \$179,999	2	1
\$180,000 - \$189,999	-	-
\$190,000 - \$199,999	3	1
	28	18

During the year ended 30 June 2019, one employee received compensation and other benefits in relation to cessation \$65,887(2018: \$nil).

Board Members' Remuneration

Board members are paid at the rate set by the Remuneration Authority. The total value of remuneration paid or payable to each Board member during the year was:

	2019	2018
	Actual	Actual
	\$000	\$000
Chair Hon Sir Hugh Williams QC	38	51
Deputy Chair Kristy McDonald QC (resigned in March 2019)	11	15
Chief Executive, Chief Electoral Officer and Board Member Alicia Wright	311	306
Total Board Members' Remuneration	360	372

4. Other expenses

Accounting Policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Other expenses

Other expenses are recognised as goods and services are received.

Breakdown of other expenses

	2019	2018
	Actual	Actual
	\$000	\$000
Enrolment Services	10	727
Specialist Services	4,854	5,904
Postage & Courier Charges	2,295	3,223
Rent including other temporary premises	1,265	5,325
Advertising and Publicity	847	8,012
Information, Communications & Technology	1,244	1,746
Printing	323	2,490
Travel	1,270	1,979
Stationery/Supplies	489	384
Minor Assets	82	86
Other	1,061	1,511
Storage/Freight	360	1,225
Total Operating costs	14,100	32,612

Operating leases as lessee

	2019	2018
	Actual	Actual
	\$000	\$000
Not later than one year	1,431	834
Later than one year and not later than five years	4,278	197
Later than five years	291	-
Total non-cancellable operating leases	6,000	1,031

The Commission leases properties in the normal course of its business. The majority of these are for premises which have a non-cancellable leasing period ranging from one to five years.

The Commission's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights.

5. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Breakdown of cash and cash equivalents

	2019	2018
	Actual	Actual
	\$000	\$000
Investment Account	9,792	6,391
Operating Account	516	2,453
Electorate Bank Accounts	-	6
Total cash and cash equivalents	10,308	8,850

While cash and cash equivalents at 30 June 2019 are subject to the expected credit loss requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Assets recognised in non-exchange transaction that are subject to restrictions.

Cash held includes unspent Ministry of Foreign Affairs and Trade funding received of \$2.792m (2018 \$2.074m) for international assistance work with Pacific Island States and is subject to restrictions. The restrictions specify how the funding is required to be spent in providing the specified deliverables.

6. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less any allowance for credit losses. The Commission applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Previous accounting policy for impairment of receivables

In the previous year, the allowance for credit losses was based on incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

Breakdown of receivables

	2019	2018
	Actual	Actual
	\$000	\$000
Receivables (Gross)	489	269
Less Allowance for credit loss	-	-
Receivables	489	269
Receivables comprise:		
Receivables from the sale of goods and services (exchange transactions)	21	34
Receivables from GST refund from Inland Revenue (non-exchange transactions)	468	235

The expected credit loss rates for receivables at 30 June 2019 and 1 July 2018 are based on the payment profile of revenue on credit over the prior 2 years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses at 30 June 2019 and 1 July 2018 was determined as follows:

30 June 2019

	Receivable days past due				Total
	Current	More than 30 days	More than 60 days	More than 90 days	
Expected credit loss are	0%	0%	0%	0%	-
Gross carrying amount (\$000)	17	-	1	3	21
Lifetime expect credit loss (\$000)	-	-	-	-	-

1 July 2018

	Receivable days past due				Total
	Current	More than 30 days	More than 60 days	More than 90 days	
Expected credit loss are	0%	0%	0%	0%	-
Gross carrying amount (\$000)	32	1	-	1	34
Lifetime expect credit loss (\$000)	-	-	-	-	-

There is no movement in the allowance for credit losses.

7. Inventories

Accounting policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the year of the write-down.

Breakdown of inventories and further information

	2019	2018
	Actual	Actual
	\$000	\$000
Commercial inventories		
Publications held for sale	13	12
Non-Commercial inventories		
Inventories held for the use in the provision of goods and services	484	286
Total inventories	497	298

The write-down of inventories during the year was \$10,136 (2018 \$nil). There have been no reversal of write-downs.

8. Property, plant and equipment**Accounting policy**

Property, plant, and equipment consists of the following asset classes, which are measured as follows:

- Office equipment, at cost less accumulated depreciation and impairment losses.
- Computer equipment, at cost less accumulated depreciation and impairment losses.
- Leasehold improvements, at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are expensed in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated surplus/ (deficit) within equity.

The Notes to the Financial Statements form an integral part of these Financial Statements.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

Office equipment	5 years	20.00%
Leasehold improvements	9 years	11.11%
Computer equipment	3 years	33.33%

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Impairment

The Commission does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Critical accounting estimates and assumptions

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed.

Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Commission, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The Commission minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets;
- and analysis of previous asset sales.

The Commission has not made significant changes to past assumptions concerning useful lives and residual values.

Breakdown of property, plant, equipment and further information

Movements for each class of property, plant, and equipment are as follows:

	Computer Hardware \$000	Office Equipment \$000	Leasehold improvements \$000	Total \$000
Cost or Valuation				
Balance at 1 Jul 2017	526	242	177	945
Additions	50	4	-	54
Disposals	-	-	-	-
Balance at 30 Jun 2018	576	246	177	999
Balance at 1 Jul 2018	576	246	177	999
Additions	425	-	197	622
Disposals	-	1	-	1
Balance at 30 Jun 2019	1,001	245	374	1,620
Accumulated Depreciation				
Balance at 1 Jul 2017	395	73	44	512
Depreciation Expense	97	47	19	164
Balance 30 Jun 2018	492	120	63	676
Balance at 1 Jul 2018	492	120	63	676
Depreciation Expense	110	47	22	179
Balance 30 Jun 2019	602	167	85	854
Carrying Amount				
At 1 July 2017	131	169	133	433
At 30 June/1 July 2018	83	126	114	323
At 30 June 2019	399	78	289	766

There are no restrictions over the title of the Commission's property, plant and equipment nor is there any property, plant or equipment pledged as security for liabilities.

Capital Commitments

There are no capital commitments for the acquisition of property, plant, and equipment at the report date.

9. Intangible assets

Accounting policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Cost associated with development and maintenance of the Commission's website is recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit. The amortisation only applies to complete developed computer software.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired Computer Software	3 years	33.33%
Developed Computer Software	10 years	10.00%

Impairment of intangible assets

Refer to the policy for impairment of property, plant, and equipment in Note 8. The same approach applies to the impairment of intangible assets.

Critical accounting estimates and assumptions

Estimating useful lives of software

Internally generated software has a finite life, which requires the Commission to estimate the useful life of the software assets.

The Notes to the Financial Statements form an integral part of these Financial Statements.

In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use;
- the effect of technological change on systems and platform; and
- the expected time frame for the development of replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position.

The Commission has estimated a useful life of 10 years for its regulatory platform based on the period of use estimated. This useful life is still considered reasonable based on the current performance and use of the software. There are currently no indicators the period of use of the software will be materially different.

Breakdown of intangible assets

Movements for each class of intangible asset are as follows:

	SOFTWARE	WORK IN PROGRESS	TOTAL
	\$000	\$000	\$000
Cost or Valuation			
Balance at 1 July 2017	2,639	-	2,639
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2018	2,639	-	2,639
Balance at 1 Jul 2018	2,639	-	2,639
Additions	-	140	140
Transfers	-	-	-
Balance at 30 June 2019	2,639	140	2,779
Accumulated Depreciation			
Balance 1 July 2017	222	-	222
Amortisation Expense	257	-	257
Balance at 30 Jun 2018	479	-	479
Balance at 1 July 2018	479	-	479
Amortisation Expense	257	-	257
Balance 30 Jun 2019	736	-	736
Carrying Amount			
At 1 July 2017	2,417	-	2,417
At 30 June/1 July 2018	2,160	-	2,160
At 30 June 2019	1,903	140	2,043

Restrictions

There are no restrictions over the title of the Commission's intangible assets nor are there any intangible assets pledged as security for liabilities.

Capital commitments

There are no capital commitments for the intangible asset.

10. Payables and deferred revenue

Accounting policy

Short-term creditors and other payables are recorded at the amount payable.

Breakdown of payables and deferred revenue

	2019	2018
	Actual	Actual
	\$000	\$000
Payables and deferred revenue under exchange transactions		
Creditors	1,563	267
Income in advance	2,792	2,074
Accrued expense	2,402	1,431
Total payable and deferred revenue	6,757	3,772

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximate their fair value, all value are from exchange transactions.

11. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Breakdown of employee entitlements

	2019	2018
	Actual	Actual
	\$000	\$000
Current portion		
Accrued salaries and wages	444	259
Annual leave	776	891
Long Service Leave	42	51
Total current portion	1,262	1,201
Non-current portion		
Long Service leave	79	67
Retiring leave	-	-
Total non-current portion	79	67
Total employee entitlements	1,341	1,268

12. Contingencies

Contingent liabilities

Lawsuit

The Commission has no contingent liability relating to legal action (2018:\$nil).

Contingent assets

The Commission has no contingent assets (2018:\$nil).

13. Equity

Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Retained earnings
- Accumulated surplus/ (deficit)

Breakdown of equity

	2019	2018
	Actual	Actual
	\$000	\$000
Accumulated surplus/(deficit)		
Balance at 1 July	6,862	7,412
Surplus/(deficit) for the year	(792)	(550)
Balance at 30 June	6,070	6,862
Total equity	6,070	6,862

The Commission is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities, and the use of derivatives.

The Commission has complied with the financial management requirements of the Crown Entities Act 2004 during the year. The Commission manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that the Commission effectively achieves its objectives and purpose, while remaining a going concern.

14. Related party transactions

The Commission is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Commission would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Notes to the Financial Statements form an integral part of these Financial Statements.

Key management personnel

There were no transactions entered into during the year with key management personnel:

Key management personnel compensation

	2019	2018
	Actual	Actual
	\$000	\$000
Chair and Deputy Chair of the Board		
Remuneration	49	66
Full-time equivalent members	0.2	0.2
Leadership Team		
Remuneration	1,643	1,449
Full-time equivalent members	9	7
Total Key management personnel remuneration	1,692	1,515
Total full-time equivalent personnel	9.2	7.2

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

Compensation for the Chief Electoral Officer/Chief Executive who is also a Board member is included with the Leadership Team.

A breakdown of individual Board member remuneration is provided in Note 3.

15. Financial instruments**Financial instrument categories**

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2019	2018
	Actual	Actual
	\$000	\$000
Financial assets measured at amortised cost (2018: Loans and receivables)		
Cash and cash equivalents	10,308	8,850
Debtors and other receivables	554	271
Total Financial assets measured at amortised cost	10,862	9,121
Financial liabilities measured at amortised cost		
Creditors and other payables	8,019	4,973
Total Financial liabilities measured at amortised cost	8,019	4,973

The Notes to the Financial Statements form an integral part of these Financial Statements.

Financial instrument risks

The Commission's activities expose it to the financial instrument risks of market, credit, and liquidity risk. The Commission's policy is to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow transactions that are speculative in nature to be entered into.

Market risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Commission's exposure to fair value interest rate risk is limited to its bank deposits that are held at fixed rates of interest. The Commission does not actively manage its exposure to fair value interest rate risk.

Cash flow interest risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose The Commission to cash flow interest rate risk.

The Commission's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. The Commission currently has no variable interest rate investments.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Commission, causing the Commission to incur a loss.

The Commission is exposed to credit risk from cash and term deposits with banks, receivables, and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Risk management

For receivables, the Commission reviews the credit quality of customers before granting credit. It continues to monitor and manage receivables based on their ageing and adjusts the expected credit loss allowance accordingly. There are no significant concentrations of credit risk.

Due to the timing of its cash inflows and outflows, the Commission invests surplus cash with registered banks with a Standard and Poor's credit rating of at least A2 for short-term investments and A for long-term investments. The Commission limits the amount of credit exposure to any one financial institution for term deposits to no more than 25% of total investments held. The Commission invests funds and enters into derivative financial instruments only with registered banks that have a Standard and Poor's credit rating of at least A2 for short-term investments and A for long-term investments. The Commission's investments in term deposits are considered to be low-risk investments. The credit ratings of banks are monitored for credit deterioration.

Security

No collateral or other credit enhancements are held for financial assets that give rise to credit risk.

Impairment

Cash and cash equivalents (Note 5), receivables (Note 6) are subject to the expected credit loss model. The notes for these items provide relevant information on impairment.

Credit risk exposure by credit risk rating grades, excluding receivables

The gross carrying amount of financial assets, excluding receivables, by credit rating is provided below by reference to Standard and Poor's credit ratings.

Maximum exposures to credit risk at reporting date are:

	2019	2018
	Actual	Actual
	\$000	\$000
Cash at bank and term deposit		
BNZ (AA-)	10,308	8,850
Total cash at bank and term deposits	10,308	8,850

No collateral is held on the above amounts. There is no maturity date on the current bank balances as these represent cash held in transactional and cash management accounts.

Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Commission manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses financial liabilities (excluding derivatives) into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the undiscounted contractual cash flows.

	Carrying Amount \$000	Contractual cashflows \$000	Less than 6 months \$000	6-12 months \$000	More than 1 year \$000
2019					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	1,320	1,320	1,320	-	-
Total	1,320	1,320	1,320	-	-
2018					
Payables (excluding income in advance, taxes payable and grants received subject to conditions)	10	10	10	-	-
Total	10	10	10	-	-

16. Events after balance date

There have been no significant events after balance date.

17. Explanation of major variances against budget

Comparative budget values are sourced from the forecast financial statements shown in the Commission's Statement of Performance Expectations 2018-2023 (SPE). The key variances to budget are outlined below:

Statement of comprehensive revenue and expense

Revenue - \$0.384m favourable against budget in the main is the result of:

- \$0.296m in funding for preparation of the Cannabis Referendum with General Election in 2020.
- \$0.093m in funding for International Aid Programme, as the Commission signed the electoral assistance work programme with Ministry of Foreign Affairs and Trade to provide technical advice to Tonga Electoral Commission.

Expenditure - \$3.127m unfavourable against budget as a result of:

- \$2.706m spent on additional staff due to:
 - Expanded Community Engagement programme to reach different ethnic groups and hard-to-reach communities
 - 2019 Local Body Election Enrolment Update Campaign preparation
 - 2020 General Election preparation
 - Enrolment on Election Day preparation
 - Cannabis Referendum preparation

- \$0.304m spent on supplies and distribution due to:
 - Postage unit cost increase
 - IT Environment Refresh to provide better internet services, secured connection and aligned software package for the Registrar of Electors Offices.
- \$0.093m spend on Tonga Electoral Commission Technical Advice.

Statement of financial position

Current Assets - \$5.596m favourable against budget as the result of:

- \$0.468m in GST refund in June 2019, as the enrolment update campaign of the Local Body Election was started from late June.
- \$4.886m in cash and cash equivalents due to:
 - New funding received from the Ministry of Foreign Affairs and Trade for the Tonga Electoral Commission technical support
 - Additional funding received from the Crown for referendum preparations.
 - Increase in Accounts Payable as most invoices were paid in July.

Current Liabilities - \$6.817m unfavourable against budget as the result of:

- \$2.404m in deferred revenue due to a delay in the new electoral technical assistance programme approved by MFAT, in Bougainville.
- \$3.534m in increasing accounts payable and accruals, as the enrolment update campaign of Local Body Election was started from late June.

18. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the Commission has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 July 2018.

Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 6 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is not determined by applying an expected credit loss model.



On the date of initial application of PBE IFRS 9, being 1 July 2018, the classification of financial instruments under PBE IPSAS 29 and PBE IFRS 9 is as follows:

Measurement category			Carrying Amount		
	Original PBE IPSAS 29 Category	New PBE IFRS 9 Category	Closing balance 30 June 2018 (PBE IPSAS 29) \$000	Adoption of PBE IFRS 9 adjustment \$000	Opening balance 1 July 2018 (PBE IFRS 9) \$000
Cash at bank and on hand	Loans and receivables	Amortised cost	8,850	-	8,850
Receivables	Loans and receivables	Amortised cost	34	-	34
Total Financial Assets			8,884	-	8,884

The measurement categories and carrying amounts for financial liabilities have not changed between the closing 30 June 2018 and opening 1 July 2018 dates as a result of the transition to PBE IFRS 9.

19. Trust monies

The Trust Account for Nomination Deposits was administered on behalf of the Crown under Part VII of the Public Finance Act 1989. This trust account holds deposits received by individual nominees and political parties contesting By-Elections and Parliamentary Elections. Movements in this account during the year ended 30 June 2019 were as follows:

	2019 Actual \$000	2018 Actual \$000
Election candidate deposits trust account		
Balance 1 July 2018	80	7
Fees received	2	158
Fees refunded	(78)	(85)
Balance at 30 June 2019	4	80

Statement of
responsibility

Statement of Responsibility


The Board is responsible for the preparation of the Electoral Commission's financial statements and statement of performance, and the judgements made in them.

The Board is responsible for any end-of-year performance information provided by the Electoral Commission under section 19A of the Public Finance Act 1989.

The Board has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Electoral Commission for the year ended 30 June 2019.

Signed by the Board:



Marie Shroff

Chair



Jane Meares

Deputy Chair



Alicia Wright

Chief Electoral Officer

31 October 2019

Independent auditor's report

To the readers of the Electoral Commission's financial statements and performance information for the year ended 30 June 2019

The Auditor-General is the auditor of the Electoral Commission (the Commission). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Commission on his behalf.

Opinion

We have audited:

- the financial statements of the Commission on pages 19 to 46, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Commission on pages 13 to 15, and 17.

In our opinion:

- the financial statements of the Commission on pages 19 to 46:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the performance information on pages 13 to 15, and 17:
 - presents fairly, in all material respects, the Commission's performance for the year ended 30 June 2019, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - what has been achieved with the appropriation;
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Commission for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Commission for assessing the Commission's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commission, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004, the Electoral Act 1993 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Commission's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.



As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Commission's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 48, but does not include the financial statements and the performance information.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Commission in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Commission.

A handwritten signature in black ink that reads "Andrew Clark". The signature is written in a cursive, slightly slanted style.

Andrew Clark
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



DIRECTORY

AUDITOR

AUDIT NEW ZEALAND
ON BEHALF OF THE AUDITOR-GENERAL

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BANK OF NEW ZEALAND

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