

## Highlights



### Delivery

Successfully implementing a new continuous Māori Electoral Option



### Preparation

The announcement of a General Election on 14 October starts our election-year timeline



### Organisation

All-staff wānanga to embed organisational values across our teams and locations

## Performance measures

Our delivery against performance measures for the period of 1 January to 31 March 2023 is detailed in Appendix A.

We have met most of our measures for the quarter. The four measures under Impact Measure 2 – ‘People take part in the electoral system’ relate to end-of-year targets to be achieved by 30 June 2023. These are focused on the General Election and are on track to meet the specified targets by 30 June.

### Key upcoming milestones

<b>13 July 2023</b>	Final day for Māori Electoral Option roll changes
<b>14 July 2023</b>	Regulated period for election advertising expenses begins
<b>10 September 2023</b>	Writ Day
<b>14 October 2023</b>	General Election

## Strategic priorities

This was a productive quarter in which we learned the date of the 2023 General Election, and completed or made significant progress on a range of election preparation workstreams. The Commission also prioritised taking the time to promote its values across the organisation.

## **Building our capability**

As the Commission prepares for its busy election year, and as the organisational changes agreed in 2022 are bedding in, the organisation set aside time in March to emphasise the importance of the four organisational values set out in the Statement of Intent, and build a common understanding across the entire Commission of how we work together and support the democratic process. The process commenced with a Senior Leadership Group wānanga on 7 March, which led to a successful all-staff wānanga on 16 March. The latter, which set the direction for the Commission in election year and beyond, was a hybrid gathering at various Commission locations around the country, with some staff participating online.

In February the Board approved a master services agreement (MSA) with Catalyst.Net Ltd to provide software development and system administration services to the Commission over a six-year period. Since 1997 Catalyst has provided software development and system administration services for operational systems to New Zealand Post, the then Chief Electoral Office and, since its establishment, the Electoral Commission. The two key elements of the MSA are a) systems supported and managed services, and b) cloud hosted infrastructure services.

We activated Phase 2 of our upgraded financial management information system (FMIS) in January, modernising our approach to internal financial management. All budget managers have been trained how to use the new system, and budgeting for 2023/24 started.

The Commission's new Tableau-based internal data platform (Te Kauhangaaroa) was launched, providing an effective tool for sharing electoral and organisational performance data. It makes accessing enrolment data, a common task for our Operations teams, straightforward.

The Legal & Policy team are working with the Ministry of Justice to arrange the secondment of six staff to the Commission from June to October 2023 to support our election-related legal and policy work. This secondment is a routine arrangement for general election years.

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## **Preparing for an election**

The then-Prime Minister's 19 January announcement of this year's General Election date started the Commission's election year with a clear understanding of the election timeline. Our detailed existing planning was modified based on the new date and to update organisational timelines to deliver the 14 October General Election date.

A key activity in the quarter was forming internal working groups to assess the impacts of Cyclone Gabrielle on General Election campaign delivery. The working groups consulted StatsNZ for its recent 2023 Census experience, and spoke to local authorities in the affected areas. Working with NZ Post, undeliverable enrolment packs returned from the affected areas were specially marked. More broadly beyond the cyclone response, the Commission is also developing and testing election disruption scenarios as part of our contingency planning for major electoral events.

# Electoral Commission Performance Report

1 January – 31 March 2023



The Commission has implemented recent legislative changes permitting a continuous Māori Electoral Option (MEO). We fully implemented the new MEO system in this quarter, and it was launched on 31 March with a public information campaign. Electors can switch their roll status until 13 July, which is three months out from the General Election. In an innovative new approach, our promotional material for MEO was produced using regional dialects from each of the Māori electorates, which involved considerable input from our Māori advisor and communications teams. Where possible, we plan to use this approach for our General Election-related campaigns.

We worked closely with NZ Post to produce and check mailout packs for the MEO implementation. A total of 512,000 packs were ready to be mailed on 1 April.

The Commission's electorate managers (EM) are temporary staff contracted to lead election services in General Election year in each of the 65 general electorates and seven Māori electorates. In February the Commission held its regular four-day EM training workshop providing a comprehensive understanding of their vital work, with high-level involvement from the Governor-General Rt Hon Dame Cindy Kiro, Commission Chair Dame Marie Shroff, and Chief Electoral Officer Karl Le Quesne. The Commission also advertised for 32 fixed-term community engagement staff for its regional offices in January.

The Commission's Party Portal, a secure area of our website for party officials where technical information can be shared, has been updated for election year. Revised guidance for parties added recently include a new obligation to report donations over \$20,000 (which came into force on 1 January). Handbooks recently updated include those for candidates, third parties, scrutineers and MPs.

The Voting Services team are working with Māori community representatives to select voting places and promote working for the Electoral Commission.

The Legal & Policy team has worked closely to support the Ministry of Justice on the draft legislation on the voting age. The team has also commenced the Broadcasting Allocation for election year, with the notice period for parties wishing to apply for broadcasting funding open from 1 February to 1 March.

Our Election Access Fund (EAF) panel has assessed and processed the first application for EAF funding for the 2023 election. The EAF is a new fund designed to support candidates with disabilities seeking to stand in the General Election. A six-month promotion for the EAF to raise awareness amongst the disability community commenced in March.

The Electoral Commission has recently decided to employ eight trust and security advisors to inform our preparation for and conduct of the election. They will provide local expertise in election security matters throughout the country, to help electorate managers respond to emerging security concerns.

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## Building relationships and understanding

Community Engagement staff from Auckland, Whangarei, Hamilton and Christchurch attended the Te Matatini kapa haka festival in Auckland to engage with voters ahead of the General Election and Māori Electoral Option campaigns.

The Chief Electoral Officer and its Māori advisory team have held a couple of meetings with advisors to the Iwi Chairs Forum, to examine mutual interests in the promotion of electoral participation. This work is continuing.

The Commission's regular coordination meetings with StatsNZ usually focus on potential workforce collaboration (contractors for the Census often go on to contracts for the General Election), but in this quarter a strong focus was responding to Cyclone Gabrielle and understanding how best to engage with communities with restricted access and/or limited communications.

As part of its established partnership with TVNZ the Commission met the broadcaster to support its Vote Compass initiative. The Commission has supported the initiative since 2014.

The Commission met with the Broadcasting Standards Authority, the Advertising Standards Authority and the Media Council to establish relationships and prepare for the General Election media briefing in April.

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## Preparing for the future

The Operations team has completed its procurement pipeline planning to produce an up-to-date schedule of contracts across the Commission. This will be a considerable benefit to organisational planning and will help the Board maintain clear oversight of procurement spending.

The Commission published its Pay Gap Action Plan on our website, outlining the organisation's recent improvement in reducing its pay gap. In particular, the appointment of three new Deputy Chief Executives in the previous quarter, all of whom are female, has contributed to reducing the gap. The median differences between male and female salaries at individual grades is minimal.

The Legal & Policy team prepared the Commission's submission for the Justice Committee's inquiry into the 2022 local authority elections, and the Review into the Future for Local Government. Both submissions were provided in February.

## Key activities

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- Preparing and launching the updated Māori Electoral Option campaign
- Responding to deliver electoral services in areas affected by Cyclone Gabrielle
- Community Engagement staff from Auckland, Whangārei, Hamilton and Christchurch attended the Te Matatini kapa haka festival in Auckland to engage with voters
- Appearing before the Justice Committee for our 2021/22 Annual Review hearing
- Our international business unit, which is fully funded by MFAT, took part in a three-day Fiji Elections Office workshop to review that country's 2022 General Election.

## Risks

The most recent risk assessment has identified several risks that are classified as ‘likely’, but the overall risk rating remains Amber. These are:

- Being unable to respond sufficiently to a major disruptive event, including a pandemic
- Inability to deliver successfully or meet expectations due to insufficient funding
- Critical supplier fails to deliver
- Failing to deliver on strategic objectives.

The risk ‘Over-reliance on core staff results in critical points of failure’ was reduced this quarter from red to amber as a result of key appointments being made and the more advanced state of planning for GE 23.

Failing to deliver on a critical legislative and/or regulatory change was reduced from amber to green as the progress of the MEO option continues well.

The risk ‘Critical system failure at a critical time’ is rated ‘feasible’ with major consequences, should it occur. The risk is addressed through comprehensive certification and accreditation checks on key systems. It has also recently been mitigated by a new Master Services Agreement with Catalyst. Part of the agreement requires regular disaster procedures and regular testing.

## Financial performance

*Expenditure* – At the end of March 2023, the Commission had expenditure of \$47.995m against planned spend of \$65.952m, a variance of \$17.957m.

As with previous months, we continue to report an underspend against budget. This is due in part to some real savings, but also there is some delayed spending. The FY22/23 budget and forecast were calculated using the assumption of a September election date. The confirmation of an October election date this quarter has seen some areas of expenditure deferred into later months, as the timeline for the election has moved out by one month. Spending is expected to be above the quarterly budget in the next reporting period as the General Election Enrolment Update Campaigns roll out, slightly later than planned.

*Revenue* – Was higher than budget by \$1.091m YTD. This is mostly attributable to unplanned funding received for the Hamilton West by-election of \$1.2m, offset by lower revenue from MFAT. The Commission recognized revenue of \$1.591m from MFAT to fund expenses relating to the International Assistance Programme. This was lower than planned but reflects the actual costs of the programme (refer to Appendix B for financial information as of 31 March 2023).

## Financial sustainability

The Commission’s current financial sustainability status (using the measures established by the Ministry of Justice’s Monitoring Unit) is summarised below.

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1 January – 31 March 2023



**ELECTORAL  
COMMISSION**  
TE KAITIAKI TAKE KŌWHIRI

Measure	Test	Forecast	Actual	Notes
Cash	Cashflow for the three-month period is positive	Fail	Pass	Positive by \$21.6m as at 31 March 2023. The full year budget plans for a negative cashflow, so the forecast is in line with budget.
Working Capital	Current assets exceed current liabilities	Fail	Pass	Positive by \$20.793m as at 31 March 2023. The full year forecast positive is \$11.845m
Going concern	Total assets exceed total liabilities	Pass	Pass	Positive by \$22.664m as at 31 March 2023.
Break even	The net operating result for the period is a surplus	Fail	Pass	The result for the period is a \$17.860m surplus against a budgeted deficit of \$1.2m. This is a favourable variance for the period of \$19.048m.

## Appendix A – Performance measures as at 31 March 2023

Results in **green font** are at or above target levels, results in **brown font** are below.

The tables below report on the measures from the Commission's Statements of Intent and Performance Expectations.

### Impact Measure 1 – People have trust and confidence in the electoral system

Measures	Current Status	Target 2022/23
Key general election milestones achieved (refer Output Measure 2)	On track	Achieved
Transition to new operating model phase 1 complete: <ul style="list-style-type: none"> <li>General Election implementation programme established</li> <li>Reconfigured Senior Management Team structure</li> <li>Implementation of new delegations policy</li> <li>Proposal for reconfigured field operations finalised</li> </ul>	Achieved	Achieved (by 31 December 2022)
Integrity of by-election results: Official by-election Result Certificates for the electorate are signed by both the electorate Returning Officer, and the attending Justice of the Peace	Completed (Hamilton West by-election)	Completed if applicable

### Impact Measure 2 – People take part in the electoral system

Measures	Current Status <sup>1</sup>	Target 2022/23
Number of people enrolled (average for the period)	3.43m	3.64m
Number of 18–24-year-olds enrolled (average for the period)	0.26m	0.34m
Number of people of Māori descent enrolled (average for the period)	0.512m	0.525m
Number of people enrolled on the Provisional Roll (17-year-olds)	0.0029m	0.0065m

### Output Measure 1 – Maintain and protect the integrity of the electoral system

Measures	Current Status	Target 2022/23
Adherence to the Commission's quality assurance practices around the integrity of the roll	100%	100%
Staff receive mandatory integrity and compliance training	100% <sup>2</sup>	100%

<sup>1</sup> See 'Performance measures' note p.1 for an explanation of this performance.

<sup>2</sup> We believe that nearly all staff comply but we cannot guarantee that all staff complete the modules due to: the nature of recording logins and completions on staff training portal Tupu; the Commission workforce, which is transient and changeable; and organisational reviews that affect the accuracy of roles, structure

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The Commission will follow up failures by a party, candidate or third party to file any relevant return of election expenses, donations or loans within 5 working days	100%	>95%
Allegations of electoral finance or advertising breaches of the Electoral Act are acknowledged, and follow-up is initiated if required, within 10 working days of receipt	100%	90%

## Output Measure 2 – Prepare for and conduct well-run, risk-mitigated electoral events

Measures	Current Status	Target 2022/23
Key general election preparation milestones achieved: <ul style="list-style-type: none"> <li>a) IT procurement complete (Q2)</li> <li>b) Core elections systems ready (Q2)</li> <li>c) Electorate headquarters secured (Q2)</li> <li>d) Returning officers trained (Q3&amp;4)</li> <li>e) Electorate headquarters managers appointed and trained (Q4)</li> <li>f) Electorate headquarters operational (Q3)</li> <li>g) Overseas vote processing operational (Q3)</li> <li>h) Readiness testing and dress rehearsal programme begins (Q4)</li> </ul>	<ul style="list-style-type: none"> <li>a) achieved</li> <li>b) substantially achieved</li> <li>c) achieved</li> <li>d) achieved</li> <li>e) achieved</li> <li>f) substantially achieved</li> <li>g) substantially achieved</li> <li>h) on track</li> </ul>	Achieved
Enrolment data update for Local Body Elections complete (Q1)	Achieved	Achieved
Simulation of key activities to be undertaken by headquarters during the general election complete (Q2)	Achieved	Achieved
By-election conduct measures (if applicable): <ul style="list-style-type: none"> <li>• Release of preliminary results from 7.30pm on the day of the by-election</li> <li>• Declaration of official results to schedule</li> </ul>	Achieved for Hamilton West by-election	Achieved

and coding in Tupu. There may be isolated incidents where individuals do not complete training modules, and some casual employees do not have access to computers.

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## Output Measure 3 – Help people to understand the electoral system

Measures	Current Status	Target 2022/23
Strategic Communications Plan developed	Achieved	By December 2022
Respondents agree or strongly agree that the advisory opinion was timely and adequately answered their request	Not measured Q3 <sup>3</sup>	>80%

## Output Measure 4 – Make it easy and simple for people to take part

Measures	Current Status	Target 2022/23
Percentage of enrolment transactions that are conducted digitally	65.6%	>40%
Participation strategies for priority groups developed	Achieved	By 31 January 2023
Election Access Fund established	Achieved	By 31 October 2022
Guidance on electoral matters: Percentage of advisory opinions issued within 5 working days	100%	>95%

<sup>3</sup> As advisory opinions are typically far more frequent in the immediate pre-election period, and are infrequent outside that period, the Commission only conducts surveys every 18 months. The next such survey will be in June 2023.

# Electoral Commission Performance Report

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## Appendix B – Financial information as at 31 March 2023

### Statement of revenue and expenses For the nine months ending 31 March 2023

	YTD			Full Year 2022/23			30-Jun-22
	Actual	Budget	Variance	Forecast	Budget	Variance	Actual
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>							
Funding from Crown	62,663	62,073	590	82,365	82,758	(393)	25,618
Interest Received	227	-	227	407	2	405	3
Other Income	1,374	126	1,248	1,782	170	1,612	458
International Assistance Programme	1,591	2,565	(974)	2,244	3,423	(1,179)	1,870
<b>Total Revenue</b>	<b>65,855</b>	<b>64,764</b>	<b>1,091</b>	<b>86,798</b>	<b>86,353</b>	<b>445</b>	<b>27,949</b>
<b>EXPENDITURE</b>							
Personnel and Board Fees	22,893	27,234	4,341	31,893	36,317	4,424	18,796
Computer & Telecommunications	2,253	4,131	1,878	5,225	5,508	283	2,464
Property & Occupancy	4,898	5,652	754	9,298	7,539	(1,759)	2,456
Specialist Services	8,657	13,338	4,681	15,157	17,782	2,625	11,598
Printing, Stationery & Postage	5,074	9,414	4,340	9,998	12,546	2,548	760
Depreciation and Amortisation Expense	411	873	462	594	1,158	564	643
Audit Fees	75	72	(3)	174	91	(83)	95
Other Costs	3,734	5,238	1,504	5,734	6,979	1,245	652
<b>Total Operating Expenditure</b>	<b>47,995</b>	<b>65,952</b>	<b>17,957</b>	<b>78,073</b>	<b>87,920</b>	<b>9,847</b>	<b>37,464</b>
<b>Surplus / (Deficit)</b>	<b>17,860</b>	<b>(1,188)</b>	<b>19,048</b>	<b>8,725</b>	<b>(1,567)</b>	<b>10,292</b>	<b>(9,515)</b>

# Electoral Commission Performance Report

1 January – 31 March 2023



## Statement of financial position As at 31 March 2023

	As at 31 March 2023			2022/23 Forecast			2022
	Actual	Budget	Variance	Forecast	Budget	Variance	Actual
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	30,094	9,880	20,214	21,552	6,112	15,440	8,524
Debtors and other receivables	544	40	504	5	1,025	(1,020)	3,155
Inventory	39	120	(81)	50	185	(135)	44
Prepayment	71	89	(18)	71	180	(109)	107
<b>Total current assets</b>	<b>30,748</b>	<b>10,129</b>	<b>20,619</b>	<b>21,678</b>	<b>7,502</b>	<b>14,176</b>	<b>11,830</b>
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	584	383	201	530	576	(46)	712
Intangible assets	1,343	1,228	115	1,214	2,306	(1,092)	1,598
<b>Total non-current assets</b>	<b>1,927</b>	<b>1,611</b>	<b>316</b>	<b>1,744</b>	<b>2,882</b>	<b>(1,138)</b>	<b>2,310</b>
<b>TOTAL ASSETS</b>	<b>32,675</b>	<b>11,740</b>	<b>20,935</b>	<b>23,422</b>	<b>10,384</b>	<b>13,038</b>	<b>14,140</b>
<b>CURRENT LIABILITIES</b>							
Revenue in Advance	4,382	2,978	(1,404)	3,244	2,296	(948)	4,743
Creditors and other payables	4,375	2,250	(2,125)	4,495	2,100	(2,395)	2,605
Employee entitlements	1,198	1,700	502	2,094	1,516	(578)	1,932
<b>Total current liabilities</b>	<b>9,955</b>	<b>6,928</b>	<b>(3,027)</b>	<b>9,833</b>	<b>5,912</b>	<b>(3,921)</b>	<b>9,280</b>
<b>NON-CURRENT LIABILITIES</b>							
Employee entitlements	56	56	-	60	95	-	56
<b>Total Non-current Liabilities</b>	<b>56</b>	<b>56</b>	<b>-</b>	<b>60</b>	<b>95</b>	<b>-</b>	<b>56</b>
<b>TOTAL LIABILITIES</b>	<b>10,011</b>	<b>6,984</b>	<b>(3,027)</b>	<b>9,893</b>	<b>6,007</b>	<b>(3,921)</b>	<b>9,336</b>
<b>NET ASSETS</b>	<b>22,664</b>	<b>4,756</b>	<b>17,908</b>	<b>13,529</b>	<b>4,377</b>	<b>9,117</b>	<b>4,804</b>
<b>Equity</b>							
Opening Equity	4,804	5,944	(1,140)	4,805	5,944	(1,139)	14,320
Accumulated Surplus / Deficit	17,860	(1,188)	19,048	8,725	(1,567)	10,292	(9,515)
<b>Total taxpayers' funds</b>	<b>22,664</b>	<b>4,756</b>	<b>17,908</b>	<b>13,530</b>	<b>4,377</b>	<b>9,153</b>	<b>4,805</b>

# Electoral Commission Performance Report

1 January – 31 March 2023



## Statement of cash flows For the six months ending 31 March 2023

	YTD			Full Year 2022/23			2021/22
	Actual	Budget	Variance	Forecast	Budget	Variance	Actual
	\$ (000)	\$ (000)	\$ (000)	\$ (000)	\$ (000)	\$ (000)	\$ (000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from Crown	76,463	63,482	12,981	86,281	84,643	1,638	24,052
Interest received	227	-	227	407	2	405	3
Receipts from other revenue	587	126	461	110	170	(60)	130
Payments to Employees	(18,000)	(27,009)	9,009	(30,997)	(36,007)	5,010	(17,038)
Payments to Suppliers	(37,706)	(33,061)	(4,645)	(42,745)	(48,748)	6,003	(21,385)
<b>Net cash flow from operating activities</b>	<b>21,571</b>	<b>3,538</b>	<b>18,033</b>	<b>13,056</b>	<b>60</b>	<b>12,996</b>	<b>(14,238)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of property, plant and equipment	-	(99)	99	(28)	(135)	107	-
Purchase of intangible assets	-	(765)	765	-	(1,019)	1,019	(503)
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>(864)</b>	<b>864</b>	<b>(28)</b>	<b>(1,154)</b>	<b>1,126</b>	<b>(503)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>							
	<b>21,571</b>	<b>2,674</b>	<b>2,548</b>	<b>13,028</b>	<b>(1,094)</b>	<b>14,122</b>	<b>(14,741)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>8,524</b>	<b>7,206</b>	<b>1,318</b>	<b>8,524</b>	<b>7,206</b>	<b>(1,318)</b>	<b>23,265</b>
<b>CASH AND CASH EQUIVALENTS HELD AT YEAR END</b>	<b>30,095</b>	<b>9,880</b>	<b>3,866</b>	<b>21,552</b>	<b>6,112</b>	<b>12,804</b>	<b>8,524</b>

# Electoral Commission Performance Report

1 January – 31 March 2023



## Appendix C – Electoral Commission risk dashboard

