



## Highlights



### **Delivery**

Hamilton West by-election successfully held



### **Preparation**

Planning for implementation of legislative changes to the Māori Electoral Option



### **Organisation**

Confirmed decisions for capability uplift and regional reviews

## Performance measures

Our delivery against performance measures for the period of 1 October to 31 December 2022 is detailed in Appendix A.

We have met most of our measures for the quarter. Two measures were completed slightly after their target dates. 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>January 2023</b>	Final 2021/22 Annual Report submitted
<b>17 January 2023</b>	Return of the Writ for Hamilton West by-election
<b>31 March 2023</b>	Māori Electoral Option implementation
<b>14 October 2023</b>	General Election

## Strategic priorities

This was a busy quarter in which we completed or made significant progress on a range of areas including operational delivery, developing key relationships and positioning the Commission for the coming election year.

## **Building our capability**

The Target Operating Model (TOM), which is currently being implemented, was established to build the Commission's capability for the future and de-risk future elections. As a long-term initiative it is essential that the changes are embedded in the way we work. To facilitate this, the responsibility for TOM has been transferred from a project structure and incorporated into the Commission's business as usual. We will continue to track and monitor progress. Highlights of the work include the implementation of the Regional Review, the capability baseline review, updating the Commission's delegations framework, and the implementation of the new organisational structure in April 2022. This quarter also saw the adoption of organisational changes to all three Electoral Commission National Office groups to embed the new organisational structure.

The Have Your Say 2022 annual staff engagement survey was conducted in October and achieved a good completion rate (85%, compared with 75% last year). Overall response scores improved, with the average organisation score increasing from 61% last year to 66% in 2022, which is a positive result in comparison with similar state sector agencies. Employees will receive a summary report of the survey findings in the next quarter.

One area of capability development sought by the Commission is better use of technology, data and insights to drive our decision-making. New technology is a key enabler of this outcome. We developed new Tableau data visualisation dashboards for our reporting and planning purposes. The Commission implemented its new financial management information system, which will improve our internal controls, and we implemented new SnapHire systems to improve our recruitment and 'onboarding' processes.

We are also working to improve the effectiveness of our services for Māori. We are doing this at an organisational level through the development of the draft Ngā Maihi Māori strategy which will be launched in the coming months. At the same time, we progressed our plans to improve our service delivery to Māori voters in the coming election, following a successful pilot during the 2020 election.

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## **Preparing for an election**

The Headquarters Simulation was conducted from 19 September to 14 October. The simulation tested most of the systems and processes that occur in an electorate headquarters throughout an election event. Of the 36 items tested, 24 were assessed as ready for a general election. The remaining 12 require minor or moderate work, which is well underway.

The Hamilton West by-election was held on 10 December. We received the Writ directing us to hold the by-election from the Governor-General on 2 November, marking the closure of the electoral roll for printing, and the start of formal acceptance of candidate nominations. On 9 November we announced the by-election candidates, started printing the required ballot papers, and confirmed Hamilton West voting places to be used in advance voting and on by-election day. Advance voting started on 28 November. Following the by-election, we declared the official results on 21 December, and the return of the Writ concluded the by-election process on 17 January 2023 (in the following quarter). The Commission now focuses all its attention on preparing for the 2023 General Election.

Planning is underway to provide more opportunity for Māori voters to change roll types following the November 2022 passage of the Electoral (Māori Electoral Option) Legislation Bill.

Recruitment has commenced for 32 staff to work with our regional teams to deliver community engagement services across the country. We are also seeking seven community organisations to deliver targeted engagement. Qualitative research with Māori was completed in December, and the insights gathered will direct the creative content now being developed by our advertising agency for a public information and education campaign.

In December an independent quality assurance review process was agreed for the 2023 General Election (GE23) programme. This will provide assurance that the GE23 work is on track for successful completion or identify any areas of change or mitigation. The first such review is intended to be held in early 2023.

The 2022 local authority elections were held on 8 October, following the Commission's roll update process and enrolment processing activities. The Commission's activity in this quarter focused primarily in supporting councils with post-election special vote processing, by confirming that the address an elector has provided on their special vote declaration matches that on their enrolment record. In the period 9-14 October, Commission staff checked 26,000 special vote declarations on behalf of councils. Over the duration of the Local Body Election Campaign (1 July – 7 October), we:

- processed 337,000 enrolment forms (60% of which were online)
- completed 892 enrolment checks on candidates and their nominators on behalf of councils
- responded to 6,673 enquiries from the public
- completed 1,714 separate community engagement activities to encourage enrolment across our communities (at an average of 122 per week).

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## Building relationships and understanding

The Commonwealth Elections network held its Pacific conference in Wellington on 7-11 November. The Commission jointly co-facilitated the event, which had the theme of 'Absentee Voting – Enhancing Election Management Body Resilience and Inclusiveness'. It supported participants to adopt good practices, build capacity, and helped election officials improve their election preparedness. Officials attended from election management bodies across the Pacific: Australia, Kiribati, Nauru, New Zealand, Papua New Guinea, Bougainville, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, Federated States of Micronesia, Republic of Marshall Islands, and Timor-Leste.

In our MFAT-funded international liaison programme, three technical advisors (TA) completed seven deployments in Fiji to assist with the delivery of the 2022 Fiji General Election. They worked closely with the Deputy Supervisor of Elections providing support and operational advice. During the final week of election, an additional TA was provided to advise the team managing the Election Visitor Programme, which was also considered a success. A representative from the NZ Electoral Commission was included among the participants.

This quarter the Election Access Fund (EAF) Applications Panel met for the first time in preparation for its work considering applications for EAF support to disabled candidates. This group makes recommendations to the Commission on approval of fund applications. The

opening of the fund marks a significant amount of work with the Disability Community who we have sought to involve in the design and operation of the fund as much as possible.

Across the country, our community engagement teams do great work with their communities to encourage enrolment as well as increasing trust and participation in voting. We want to better leverage the skills, knowledge and insights of our people on the ground to ensure that across the country we deliver the best possible service to priority groups and that we can identify successes and learn from different approaches. During this quarter, we progressed work on a National Community Engagement Strategy that provides for consistency at national level, with flexibility to adapt to suit New Zealand's many communities. This strategy will be implemented ahead of the general election and provides us with an approach to evaluate the effectiveness of our programmes.

While our formal role in local authority elections is not a large one, we worked closely to support local authorities and LGNZ during the 2022 local elections, including supporting the debrief and identifying opportunities for future elections.

Delivering elections requires a large network of agencies and providers working together. An early focus has been stepping up our work with government security agencies in preparation for GE23. Our cross-agency work will increase in volume during the election year.

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## Preparing for the future

In this quarter the Board considered a new draft health, safety and wellbeing policy for consultation with staff, and agreed in principle to a new data and information management policy. The Board also agreed a work programme of policy reviews to be considered by the Board from January to June 2023. In its policy and legal advice function, the Commission has:

- provided advice on the operational implications of policy and legislative proposals including advice on the Electoral Amendment Act 2022, the Electoral (Māori Electoral Option) Legislation Act 2022, and voting age legislation.
- assisted with the Independent Electoral Review, responding to information requests from the panel and making a written submission.
- issued updated guidance for parties and candidates for the 2023 general election to reflect the legislative changes. We have been discussing a systematic approach to building trust in the electoral system with partner agencies across government and with key academic commentators. We are also drawing on the experience of our Australian colleagues and the way they addressed mis- and disinformation in the May 2022 Australian federal election.

## Key activities

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- Held Hamilton West by-election, 10 December.
- Developed Ngā Maihi, our Māori Strategy, for implementation in 2023.
- Implemented our new Financial Management Information System (FMIS).
- Formalised terms of reference for the Executive Leadership Team and Senior Leadership Group.
- Issued updated guidance to candidates and parties informed by recent legislative changes.

## Risks

The most recent risk assessment has identified several risks that are trending upward, but their overall risk rating remains Amber. These are:

- Inability to deliver successfully or meet expectations due to insufficient funding
- Critical supplier leaves the market or is operationally compromised
- Failing to deliver on strategic objectives
- Failing to deliver on a critical legislative and/or regulatory change
- Inadequate planning and implementation results in poorly embedded organisational change.

One risk, 'Over-reliance on core staff results in critical points of failure', has moved into red. This risk was recently reviewed by the Senior Leadership Group and refined to focus mitigations from more general retention strategies to a focused set of actions on a key set of staff. These mitigations are being implemented but the combination of the Hamilton by-election, a coming general election, staff turnover and a tight employment market have combined to shift the level of risk. Next steps have been identified and will be a focus in the coming months.

## Financial performance

*Expenditure* – At the end of December 2022, the Commission had spent \$28.9m against planned spend of \$44.0m, a positive variance of \$15.1m.

The underspend represents a timing difference as some costs have not been incurred as anticipated and other projects have been delayed or deferred to focus on priorities.

*Revenue* – Was higher than budget by \$0.9m. This is mostly attributable to unplanned funding received for the Hamilton West by-election of \$1.0m, offset by lower revenue from MFAT. The Commission recognised revenue of \$0.8m 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 at 31 December 2022).

# Electoral Commission Performance Report

1 October – 31 December 2022



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## Financial sustainability

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

Measure	Test	Forecast	Actual	Notes
Cash	Cashflow for the three-month period is positive	Fail	Pass	Positive by \$16.1m as at 31 December 2022. 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 \$17.9m as at 31 December 2022. The full year forecast is for a deficit of \$2.3m reflecting higher forecast expenditure than budgeted.
Going concern	Total assets exceed total liabilities	Pass	Pass	Positive by \$20.0m as at 31 December 2022. Forecast of \$0.7m as at 30 June 2023.
Break even	The net operating result for the period is a surplus	Fail	Pass	The result for the period is a \$15.2m surplus against a budgeted deficit of \$0.8m. This is a favourable variance for the period of \$16.0m (due to timing). The full year forecast is for a deficit of \$5.2m against a budgeted deficit of \$1.6m, reflecting higher forecast expenditure than budgeted.

## Appendix A – Performance measures as at 31 December 2022

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)	0.27m	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)	0.0040m	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
<p>Key general election preparation milestones achieved:</p> <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>	a) and c) substantially achieved; all others on track	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
<p>By-election conduct measures (if applicable):</p> <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	100%	>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	50.5%	>40%
Participation strategies for priority groups developed	On track	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%

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## Appendix B – Financial information as at 31 December 2022

### Statement of revenue and expenses For the six months ending 31 December 2022

	Actual	YTD Budget	Variance	Full Year 2022/23 Forecast	Budget	Variance	30-Jun-22 Actual
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>REVENUE</b>							
Funding from Crown	41,757	41,382	375	82,905	82,758	147	25,618
Interest Received	85	-	85	6	2	4	3
Other Income	1,509	84	1,425	1,400	170	1,230	458
International Assistance Programme	764	1,710	(946)	2,700	3,423	(723)	1,870
<b>Total Revenue</b>	<b>44,115</b>	<b>43,176</b>	<b>939</b>	<b>87,011</b>	<b>86,353</b>	<b>658</b>	<b>27,949</b>
<b>EXPENDITURE</b>							
Personnel and Board Fees	15,803	18,156	2,353	37,601	36,317	(1,284)	18,796
Computer & Telecommunications	1,397	2,754	1,357	6,491	5,508	(983)	2,464
Property & Occupancy	1,417	3,768	2,351	9,270	7,539	(1,731)	2,455
Specialist Services	5,568	8,892	3,324	21,367	17,782	(3,585)	11,096
Printing, Stationery & Postage	3,631	6,276	2,645	10,100	12,546	2,446	760
Depreciation and Amortisation Expense	276	582	306	953	1,158	205	643
Audit Fees	47	48	1	103	91	(12)	95
Other Costs	770	3,492	2,722	6,372	6,979	607	653
<b>Total Operating Expenditure</b>	<b>28,909</b>	<b>43,968</b>	<b>15,059</b>	<b>92,257</b>	<b>87,920</b>	<b>(4,337)</b>	<b>36,962</b>
<b>Surplus / (Deficit)</b>	<b>15,206</b>	<b>(792)</b>	<b>15,998</b>	<b>(5,246)</b>	<b>(1,567)</b>	<b>(3,679)</b>	<b>(9,013)</b>

# Electoral Commission Performance Report

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## Statement of financial position As at 31 December 2022

	As at 31 December 2022			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	24,639	10,656	13,984	2,228	6,112	(3,884)	8,524
Debtors and other receivables	245	40	205	1,025	1,025	-	3,155
Inventory	31	120	(89)	185	185	-	44
Prepayment	1,378	95	1,283	180	180	-	107
<b>Total current assets</b>	<b>26,293</b>	<b>10,911</b>	<b>15,383</b>	<b>3,618</b>	<b>7,502</b>	<b>(3,884)</b>	<b>11,830</b>
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	667	482	185	781	576	205	712
Intangible assets	1,451	1,519	(68)	2,306	2,306	-	2,101
<b>Total non-current assets</b>	<b>2,118</b>	<b>2,001</b>	<b>117</b>	<b>3,087</b>	<b>2,882</b>	<b>205</b>	<b>2,813</b>
<b>TOTAL ASSETS</b>	<b>28,411</b>	<b>12,912</b>	<b>15,500</b>	<b>6,705</b>	<b>10,384</b>	<b>(3,679)</b>	<b>14,643</b>
<b>CURRENT LIABILITIES</b>							
Revenue in Advance	4,600	3,833	(767)	2,296	2,296	-	4,743
Creditors and other payables	1,830	2,170	340	2,100	2,100	-	2,605
Employee entitlements	1,915	1,700	(215)	1,516	1,516	-	1,932
<b>Total current liabilities</b>	<b>8,345</b>	<b>7,703</b>	<b>(642)</b>	<b>5,912</b>	<b>5,912</b>	<b>-</b>	<b>9,280</b>
<b>NON-CURRENT LIABILITIES</b>							
Employee entitlements	56	56	-	95	95	-	56
<b>Total Non-current Liabilities</b>	<b>56</b>	<b>56</b>	<b>-</b>	<b>95</b>	<b>95</b>	<b>-</b>	<b>56</b>
<b>TOTAL LIABILITIES</b>	<b>8,401</b>	<b>7,759</b>	<b>(642)</b>	<b>6,007</b>	<b>6,007</b>	<b>-</b>	<b>9,336</b>
<b>NET ASSETS</b>	<b>20,010</b>	<b>5,152</b>	<b>14,858</b>	<b>698</b>	<b>4,377</b>	<b>(3,679)</b>	<b>5,307</b>
<b>Equity</b>							
Opening Equity	4,804	5,944	(1,140)	5,944	5,944	-	14,320
Accumulated Surplus / Deficit	15,206	(792)	15,998	(5,246)	(1,567)	(3,679)	(9,013)
<b>Total taxpayers' funds</b>	<b>20,010</b>	<b>5,152</b>	<b>14,858</b>	<b>698</b>	<b>4,377</b>	<b>(3,679)</b>	<b>5,307</b>

# Electoral Commission Performance Report

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## Statement of cash flows For the six months ending 31 December 2022

	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	52,627	42,322	10,306	84,067	84,643	(576)	24,052
Interest received	85	-	85	6	2	4	3
Receipts from other revenue	507	84	423	1,400	170	1,230	130
Payments to Employees	(11,642)	(18,006)	6,364	(37,291)	(36,007)	(1,284)	(17,038)
Payments to Suppliers	(25,406)	(20,374)	(5,032)	(52,006)	(48,748)	(3,258)	(21,385)
<b>Net cash flow from operating activities</b>	<b>16,171</b>	<b>4,026</b>	<b>12,146</b>	<b>(3,824)</b>	<b>60</b>	<b>(3,884)</b>	<b>(14,238)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Purchase of property, plant and equipment	(20)	(66)	46	(135)	(135)	-	-
Purchase of intangible assets	(36)	(510)	474	(1,019)	(1,019)	-	(503)
<b>Net cash flows from investing activities</b>	<b>(56)</b>	<b>(576)</b>	<b>520</b>	<b>(1,154)</b>	<b>(1,154)</b>	<b>-</b>	<b>(503)</b>
Net increase/(decrease) in cash and cash equivalents	16,115	3,450	(8,155)	(4,978)	(1,094)	(3,884)	(14,741)
Cash and cash equivalents at beginning of year	8,524	7,206	1,318	7,206	7,206	-	23,265
<b>CASH AND CASH EQUIVALENTS HELD AT YEAR</b>							
<b>END</b>	<b>24,639</b>	<b>10,656</b>	<b>(6,837)</b>	<b>2,228</b>	<b>6,112</b>	<b>(3,884)</b>	<b>8,524</b>

# Electoral Commission Performance Report

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## Appendix C – Electoral Commission risk dashboard

**Heat Map (by Risk ID)**

ID	Risk
1	Loss of trust in the electoral system
2	Failing to build and maintain trusting relationships with Māori
3	Being unable to respond sufficiently to a major disruptive
4	Inability to deliver successfully or meet expectations due to
5	Commission's reputation for neutrality is jeopardised by 'politicisation' and pressure from key stakeholders
6	Critical supplier fails to deliver
7	Failing to deliver on strategic objectives
8	Failing to prevent or respond adequately to a cyber security
9	Critical system failure at a critical time
10	Failing to successfully implement critical legislative and/or
11	Failing to meet obligations to implement robust health, safety
12	Over-reliance on core staff results in critical points of failure
13	Failing to understand and/or connect with the wider environment results in unforeseen consequences and/or limits our resilience
14	Inadequate planning and implementation results in poorly embedded organisational change

