

Electoral Commission
Te Kaitiaki Take Kōwhiri

Statement of Intent

2012/13 – 2014/15

PRESENTED TO THE HOUSE OF REPRESENTATIVES
PURSUANT TO SECTION 139
OF THE CROWN ENTITIES ACT 2004

May 2012

Electoral Commission

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Information on the MMP Review www.mmpreview.org.nz

Information on election results: www.electionresults.govt.nz



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CONTENTS

Foreword1

Part 1 – The Next Three Years.....2

 Our Purpose..... 2

 Nature and Scope of Functions 2

 Our Operating Environment..... 4

 Our Contribution to Government Priorities 7

 Organisational Health and Capability..... 9

Part 2 – Our Services for 2012/1311

 Forecast Service Performance 12

 Forecast Financial Statements 15

Foreword

This Statement of Intent has been prepared in accordance with the requirements of sections 141 and 142 of the Crown Entities Act 2004. It describes how we intend to contribute over the next three year period to New Zealand's democracy by impartially, efficiently and effectively administering the electoral laws.

The Commission is an independent Crown entity under the Crown Entities Act 2004 and is not subject to Ministerial direction in carrying out its electoral functions. From 1 July 2012 we will be responsible for all aspects of administering Parliamentary elections and government and citizens initiated referenda including the electoral rolls.

In planning its work programme for the next 3 years the Commission has been mindful of the difficult financial situation in which the Government and country finds itself and recognizes that any improvements or new initiatives will need to be funded by generating savings or reprioritising within existing resources. In particular, pursuing e-voting initiatives for the 2014 election will not be possible because of the overall financial situation. We will continue to monitor the results of overseas electronic voting initiatives and look for other ways to utilise technology to improve electoral processes.

Outlined below are the key challenges that we will manage over the next 3 years:

1. The review of the MMP Voting System to be completed by 31 October 2012.
2. Responsibility for maintenance of electoral rolls from 1 July 2012.
3. Providing independent, high quality advice on proposed or desirable changes to the electoral laws.
4. Developing a strategy to promote participation in Parliamentary elections, particularly through civics education.
5. Being ready to conduct by-elections and citizens initiated referenda should they be required.
6. New electoral boundaries for the 2014 General Election.
7. Planning and preparing for the next General Election in 2014 and finding ways to improve our services with fewer resources.

We are looking forward to tackling these challenges whilst maintaining public confidence in the administration of the electoral laws.



Hon Sir Hugh Williams QC
Chair



Jane Huria
Deputy Chair



Robert Peden
Chief Electoral Officer

Part 1 – The Next Three Years

Our Purpose

The Commission is responsible for the administration of parliamentary elections and referenda, the allocation of time and money for the broadcast of election programmes, promoting compliance with electoral laws, servicing the work of the Representation Commission, and the provision of advice, reports and public education on electoral matters. The Commission also assists electoral agencies of other countries on a reciprocal basis with their electoral events.

The Electoral Commission was created by the Electoral (Administration) Act 2010. From 1 October 2010 the Act brought together the functions of the Chief Electoral Office, which was responsible for conducting elections, and the former Electoral Commission, which was responsible for public education and some aspects of the laws relating to political parties.

The second stage of administrative reform takes effect from 1 July 2012 when responsibility for the electoral rolls is to be transferred to the Commission from the Electoral Enrolment Centre of NZ Post Ltd.

Nature and Scope of Functions

Our Statutory Objective:

The Electoral Act defines the objective of the Electoral Commission as

“... 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.”*

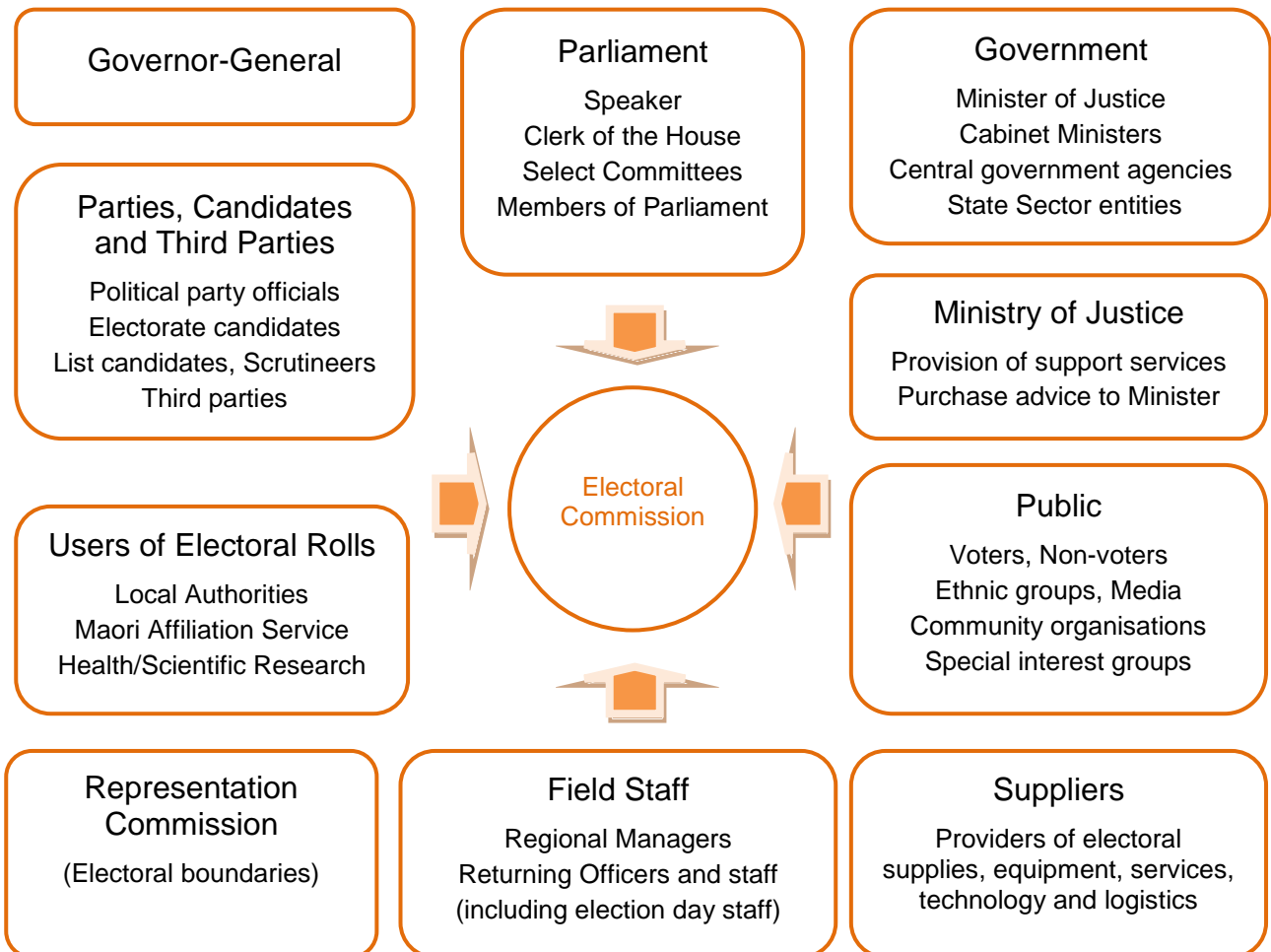
Legislative Mandate

The statutory functions of the Electoral Commission are defined by law and in summary comprise-

- preparation and conduct of General Elections, by-elections, and referenda
- allocating government monies to registered political parties for radio and television broadcasting
- promoting public awareness of electoral matters through education and information programmes
- advice to the Minister and the House on electoral matters referred to the Commission.
- making available information to assist political parties, candidates, and third parties to meet their statutory obligations in respect of electoral matters administered by the Commission:
- compiling and maintaining electoral rolls (from 1 July 2012)

Our Stakeholders

We have a wide range of people who are affected by our activities or who affect the discharge of our functions. Electors, political parties and candidates are obvious stakeholders. Less obvious are people such as the Secretary of the Cabinet whom we advise on the practicalities of the election timetables and the Clerk of the House of Representatives with whom we liaise on the formal processes for the commencement and end of the election processes. Our stakeholders are shown in the chart below.



Our Operating Environment

Planning General Elections

General Elections are normally held in the third year of the parliamentary cycle. The precise date is unknown until announced by the Prime Minister, usually 7-8 weeks before voting day. This uncertainty is one of the major challenges in organising such a large-scale event. A number of important steps, for example employment of field staff and the procurement of voting places, cannot be completed until the election date is known.

Our planning assumption is that the Commission needs to be ready to conduct the next General Election any time from July 2014. The last date an election can legally be held is 24 January 2015.

Organising for a General Election of a quality which will maintain public confidence requires detailed planning to commence as soon as the previous General Election has been completed and analysed. It is not a one-year effort as is often assumed.

The standard electoral cycle has the following components;

- The first year in the cycle involves determining operational policies including any proposals for legislative reform and participating in Parliamentary reviews
- The second year involves designing, building and testing the systems and processes to be used at the election
- The third year involves putting in place the temporary infrastructure and systems and recruiting and training the temporary field force in readiness for delivering the election.

It is highly desirable that any amendments to electoral legislation affecting the delivery of the election are enacted by the end of the second year of the cycle.

By-elections and List Seats

A by-election to fill a vacancy in an electorate seat can occur at any time and is a major operation in its own right. By-elections were last held in 2010/11 when we had three in the one financial year; Mana electorate on 20 November 2010, Botany electorate on 5 March 2011 and Te Tai Tokerau 25 June 2011. Many of the steps necessary to manage a General Election are required although the scale is much smaller.

A by-election must be held within seven weeks of a vacancy arising. The Commission has plans in place to manage by-elections and carries stocks of supplies and equipment in readiness should one arise.

By contrast filling a vacancy in a list seat is a simple process of a declaration within three days of a vacancy being notified.

Citizens Initiated Referenda

A citizen's initiated referendum (CIR) must be held if at least 10% of enrolled electors sign a petition calling for a CIR. Two CIR were held with the 1999 General Election which resulted in voter confusion, queues and congestion in voting places and significant delays to the release of the Parliamentary election night results. To avoid these problems, legislation was enacted in 2000 to enable CIR to be held by postal vote and in 2009 the first CIR to be conducted by postal vote was successfully delivered.

Conducting a CIR with a General Election or by postal vote is a major operation. The Commission requires a minimum of 6 months notice to prepare for a CIR by postal vote.

The Electoral Rolls

The foundation for a successful election is an up-to-date and accurate electoral roll. The rolls are prepared continuously – they may be required for an electoral event at any time. At the 2011 General Election 93.7% (2008 – 95.3%) of the eligible population (3,276,000) were enrolled and 96.4% (2008 - 95.9%) of those were enrolled at the correct address. The Commission will delegate to NZ Post Ltd its statutory functions for enrolment from 1 July 2012 but the Commission will remain statutorily responsible for their delivery.

Election Results

Accurate, progressive and timely preliminary results on election night enable discussions to start at the political level on the shape of the future government. This is important to the credibility of the election itself. At the 2011 General Election 90% of the results were in by 10pm, that is, within 3 hours of the close of voting, and the balance by 11.30pm. The results are collated in our Election Management System and are fed to the website www.electionresults.govt.nz and to the media within 2 minutes of being entered into the system by Returning Officers in the electorates.

The legal processes required to produce the official results over the two weeks following election day receive little public attention, compared to the focus on election night results. The post election processes not only bring special votes into the count but recount the votes counted on election night. A number of detailed checks are also made, for example in relation to the electoral rolls, to ensure that the official results are completely accurate and form a proper basis for government formation.

Māori

Maori have a choice following each census of enrolling on a Māori electoral roll and voting in the Māori electorates or registering on the general roll and voting in a general electorate. To reduce barriers for Māori we will:

- provide information in te Reo Māori in our key communications, including the EasyVote pack
- undertake face to face outreach programmes that encourage Māori to enrol and vote
- ensure that those voting on the Māori roll get the same services as those voting on the general roll
- integrate counting of votes for Māori electorates with the counting of votes for general electorates, so that there are no undue delays with reporting results for Māori electorates.

Voter opinion surveys after the 2011 General Election suggest these initiatives are effective for those who participate. Māori voters have similar voting experiences as others. For example their satisfaction levels with the voting place, queuing times and service are very similar.

In relation to turnout though there are significant differences. In 2011 turnout in total was 74.21% (2008 – 79.46%) of those enrolled but turnout of those on the Māori roll was only 58.2% (2008 - 62.41%). This lower rate of participation has been evident for many elections.

Electoral Boundaries

The number of electorates and their boundaries are set after each 5 yearly census by the independent Representation Commission. There are currently 63 general electorates and 7 Māori electorates. The Representation Commission is headed by an independent Chair appointed by the Governor-General. The Chief Electoral Officer is a member and the funding of the Representation Commission is provided by the Government through our appropriation. We also provide administrative services to the Representation Commission.

Māori enrolled in either general electorates or Māori electorates have the option to switch rolls every 5 years after the census and before the Representation Commission starts work.

The next census is scheduled for March 2013. The next Māori Option will start in April 2013 after the census is held. The Representation Commission will convene in October 2013 to consider the Electoral Boundaries.

The Electoral Legislation

The Commission provides advice on proposed legislation or desirable legislation changes, working as necessary with policy advisors in the Ministry of Justice. As administrators we are able to bring a unique practical insight into the workings of the electoral laws. Our statutory functions allow us to provide advice as requested. Our statutory powers enable us to give proactive advice if we consider it necessary to discharge our functions.

Priorities for the next 3 years

The Commission has taken account of the financial situation, the tasks we are legally required to undertake, and the lessons from the 2011 election in preparing our work programme for the 2014 Parliamentary electoral cycle.

Any improvements or new initiatives we undertake for 2014 must be met from within existing resources. At the same time, there are some tasks (the review of MMP, the work of the Representation Commission, the assumption of statutory responsibility for enrolment) which we must undertake as a matter of law. This reduces the scope for discretionary work and the Commission will need to prioritise carefully.

Our review of the 2011 election has identified three areas that warrant particular attention.

- **Promoting Participation**

Voter turnout is the key measure of participation. New Zealand used to be a world leader. This is no longer the case. Turnout percentages have been declining steeply since the 1980s and at best we are now only slightly above the international average. The issue of reducing levels of participation is a world-wide longstanding generational problem, and will not be easily arrested or turned around. Participation, though, is at the heart of a healthy democracy and a measure of the value New Zealanders place on that democracy and their vote.

Promoting participation to reverse the downward trend is therefore a key objective for the Commission to be achieved over the next 9-12 years, although not something we can achieve alone. There are many variables that we do not control. However, we can and will champion voter participation and lead efforts to halt, and reverse the decline.

The Commission will develop a plan by June 2013, in collaboration with others in government and the community, identifying its contribution to achieving this goal.

- **Process Improvement**

New Zealand's voting system is highly accessible and trusted by voters. In 2011 88% (2008 - 85%) of New Zealanders were satisfied or very satisfied with the electoral process surrounding the General Election. Unlike most countries in the world, you can vote in New Zealand elections at any voting place, in advance or from overseas. However, paradoxically the administrative systems required to make it easy for voters are complicated to administer and rely on over 18,000 temporary staff. The Commission intends to look at whether its systems can be simplified to improve the voting experience, reduce the number of temporary staff required, and streamline administrative processes whilst retaining accessibility, accuracy, and public trust. This will include looking for ways to utilise technology to improve electoral processes.

- **Improving Access for Overseas Voters**

The numbers voting from overseas in 2011 fell by 35%, in part we suspect because of the difficulty in locating and using fax machines. E-voting solutions are not an option for 2014 because of funding constraints. Email is insufficiently secure. The Commission will explore the feasibility (and affordability) of developing a secure online system that will enable overseas voters to upload their voting papers to a secure elections server through the elections website in 2014. Amendments to the electoral regulations would be required.

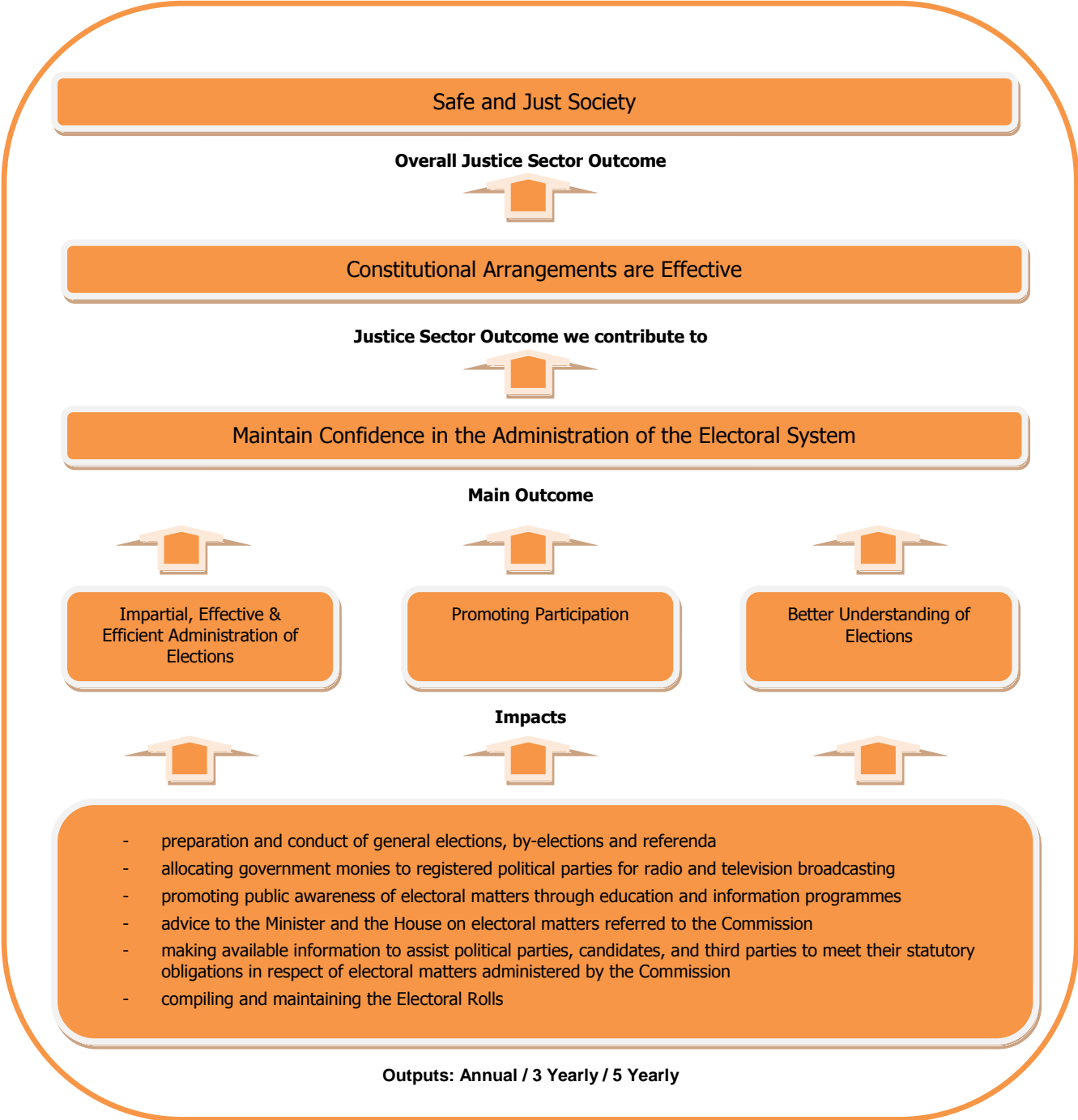
Our Contribution to Government Priorities

The priorities to which we contribute in the Justice Sector

The Justice Sector has an aspirational outcome that all New Zealanders should expect to live in a safe and just society. To that end the justice system itself should be underpinned by effective constitutional arrangements. The Commission is part of the Justice Sector so it has a role to play in achieving the outcomes set for the sector. The Commission’s particular or main contribution towards these ends is to maintain confidence in the administration of the electoral system.

The Commission’s Outcomes Framework

The framework below summarises our service, the results or impacts they will deliver and how these contribute towards Government priorities for the Justice Sector.



Main Measures and Targets for Our Main Outcome and Impacts

We have developed our Outcomes Framework to include measures of performance at the Main Outcome and Impact levels (see below). Targets related to Impacts measure performance over the duration of a three year electoral cycle. In choosing the measures and targets we referred back to the history of the former Electoral Agencies and the surveys they conducted.

Result/Measure	Performance Target Forecast 2012/13-2014/15	Performance Achievement 2009/10-2011/12	How it will be Measured
Main Outcome: <i>Maintain Confidence in the Administration of the Electoral System</i>			
Main Outcome Indicator:			
The % of the public who are confident or very confident in the administration of parliamentary elections and referenda by the Commission	90%	Not surveyed in 2011	Information will be gathered by survey within one month of election day
Main Impact: <i>Promote Participation</i>			
Impact Indicators:			
% of estimated voting age population on roll	93.5%	93.7%	Information will be gathered and published along with the official results of the election
% of non-voters identifying administrative barriers to participation as the reason for not voting	2%	2%	Information will be gathered by survey within one month of election day
Main Impact: <i>Better Understanding of Elections</i>			
Impact Indicators:			
% of voters who consider the voting system is easy to understand	60% of Voters	Not surveyed in 2011 due to Referendum	Information will be gathered by survey within one month of election day
Rate of informal voting as a result of Voter error in marking the ballot paper	0.25% Of total votes cast	Not surveyed in 2011	Information will be gathered within one month of election day
Main Impact: <i>Impartial, Effective & Efficient Administration of Elections</i>			
Impact Indicators:			
The % of the public who are satisfied or very satisfied in the administration of the General Election	90%	88%	Information will be gathered by survey and published periodically

Organisational Health and Capability

The key issues underpinning the Commission's approach to maintaining and enhancing organisational health and capability include the need to:

- Respond to our operating environment and the organisational priorities to deliver productivity and performance enhancements
- Financial Sustainability
- Meet state sector good employer expectations

Enhanced Productivity and Performance Improvement

During the period of this Statement of Intent we will work on five key productivity drivers in order to enhance our performance and build our capability. The planned actions in each of the areas during 2012/13 and beyond include:

Productivity Driver	Actions for 2012/13 and Beyond
Investing in our people capability	<p>Examine and assess on a regular basis our capability mix to ensure it is fit-for-purpose</p> <p>Ensure we maintain a relevant and appropriate retention and remuneration programme for high performing staff</p> <p>Continue to train and develop staff in appropriate skill areas and in line with emerging technologies and methodologies relevant to the work of the Commission</p>
Leadership and management capability	<p>Develop a leadership and management development programme to build individual and collective leadership and management capability</p> <p>Continue with the development of an annual Board self-assessment and development programme</p>
Organisational design & Organising work efficiently and effectively	<p>Develop and work toward implementation of an updated organisation design and performance and accountability mechanisms that extend to the integrated responsibility for enrolment services from July 2012</p> <p>Continue to support flexible work practices</p>
Leveraging technology and systems development	<p>Develop our capability to offer web-based services (e.g. online enrolment, and public education)</p> <p>Implement an improved records management system for more efficient information storage and retrieval and to meet government compliance requirements.</p>
Risk Management	<p>Continue to refine our approach to risk management and our framework that encompasses recruitment and retention, physical event/disaster and operation continuity, reputation, confidentiality and integrity of information, and operational risk</p>

Financial Sustainability

Funding for electoral events and activities vary due to the three-yearly cycles for general, local body and District Health Board elections, and five-yearly cycles for the Māori electoral option and work of the Representation Commission, as well as stand-alone events such as referenda and by-elections.

Current funding provides for a core level of service for the National Office of the Commission covering national office and enrolment centre core staffing, ongoing preparatory work for electoral events, and maintenance of the rolls. One-off events such as Citizen & Government Initiated Referenda and By-elections are subject to one-off funding requests made through the Ministry of Justice to the Minister.

Our annual budgets are structured accordingly and are reviewed regularly to ensure we are meeting the Government's expectations for efficiency and effectiveness.

There are two events in the next three years that are scheduled but as yet do not have confirmed funding:

1. For the second year covered by this Statement of Intent, 2013/14, our forecast contains the costs and funding of supporting the work of the Representation Commission, a total of \$1.281m (the majority of which is for services from the Department of Statistics and Land Information New Zealand). Funding for this has been requested but not yet appropriated by Government.
2. For the third year covered by this Statement of Intent, 2014/15, our budget necessarily contains the costs and funding (at 2011 levels) of conducting the next General Election. The required event funding, \$9.587m of the forecast appropriations of \$27.771m for this year, has not yet been appropriated.

Our objective for the 2012/13 year is to conclude the work started in 2011 with the Ministry to secure baseline funding for the conduct of the 2014/15 General Election and to have our ongoing variable baseline updated accordingly for 2017/18, 2020/21 and beyond.

Good Employer

The Commission recognises that a diverse workforce is required to deliver the services we provide to the public of New Zealand. We aim to provide equal employment opportunities to make the most of the talents of all our people. We assess our status as a good employer against the elements and criteria set out by the Human Rights Commission. Over the next three years we will continue to ensure that all elements are in place and working well.

Part 2 – Our Services for 2012/13

Introduction

The information in this part – the Forecast Statement of Service Performance and the Forecast Statement of Financial Performance, is focused on the preparatory work for the 2014 General Election and completion of the review of the MMP System started after the 2011 Referendum.

The work undertaken in 2012/13 year will include:

- Completion and delivery by 31 October 2012 of the Review of the MMP Voting System to the Minister of Justice
- Development of the Commission's strategy for promoting participation in parliamentary elections
- Review and refinement of operational policies for the next election
- Determining any proposals for legislative reform
- Participating in the select committee inquiry into the conduct of the 2011 General Election and Referendum on the Electoral System.
- Maintenance of the Electoral Roll
- Undertaking the Māori Electoral Option enrolment campaign

In fiscal terms this is our 'quiet' year – the year that we review, reassess and renew - while being prepared at any stage to undertake a by-election if required. In the following year 2013/14 we complete our changes and support the work of the Representation Commission. In 2014/15 we will undertake the next General Election.

Government Funding

The Commission is funded by the Government through two Vote Justice Non-Departmental output classes of:

- **Provision of Services from the Electoral Commission**

Services relating to the administration of parliamentary elections and referenda, servicing the work of the Representation Commission, and the provision of advice, reports and public education on electoral matters.

During the 2012/13 financial year the Commission's revenue will be \$5.976m through this output class.

- **Producing and Maintaining Electoral Rolls**

Services relating to the maintenance of electoral rolls, including all activities required to register electors and produce electoral rolls as required by law.

During the 2012/13 financial year the Commission's revenue will be \$19.492m through this output class of which \$5.300m is funding for work on the Māori Electoral Option.

Forecast Service Performance

Measures of Service Performance

The outputs and measures this year relate to the preparatory work carried out in the first year of an electoral cycle, and the ongoing work on the electoral rolls and the initiatives in the area of Public Education.

Promoting public awareness of electoral matters through education and information programmes

During 2012/13 develop an Electoral Commission strategy for promoting participation in parliamentary elections

Result/Measure	Performance Target Forecast		How it will be measured
	This Year	Last Year	
Quantity Measures			
Strategy for promoting participation is developed	Achieved	-	Strategy will be published on the Commission website
Quality Measures			
Peer review of objectives of the strategy and expected outcomes acknowledges the strategy is of an appropriate standard	Achieved	-	Peer review feedback will be recorded by the Commission
Timeliness Measures			
Completed and published by June 2013	Achieved	-	Strategy will be published on the Commission website

Make available information to assist political parties, candidates, and third parties to meet their statutory obligations in respect of electoral matters administered by the Electoral Commission

Promote statutory compliance of parties, candidates and third parties with electoral law by the provision of guidance, advisory opinions and review of statutory returns.

Result/Measure	Performance Target Forecast		How it will be measured
	This Year	Last Year	
Quantity Measures			
All returns, requests, and complaints received are processed	100%	100%	Performance data will be recorded by the Commission and reported regularly
Quality Measures			
Feedback received on advisory opinions indicates satisfaction with the standard of the response	Satisfactory or better	Satisfactory or better	Information will be gathered by survey within one month of election day
Timeliness Measures			
Response time for follow-up action on statutory returns where non-compliance is established.	5 working days	5 working days	Performance data will be recorded by the Commission and reported regularly
Response time to requests for advisory opinions	5 working days	5 Working days	Performance data will be recorded by the Commission and reported regularly

Advice to the Minister and the House on electoral matters referred to the Electoral Commission

Independent and accurate advice is provided as and when requested on legislative or policy proposals to internal standards and in a timely manner.

Result/Measure	Performance Target Forecast		How it will be measured
	This Year	Last Year	
Quantity Measures			
All requests for policy advice are acknowledged and scheduled into the work programme	100%	100%	Performance data will be recorded by the Commission and reported regularly
Quality Measures			
Advice does not require further clarification	100%	100%	Performance data will be recorded by the Commission and reported regularly
Timeliness Measures			
Advice provided in the timeframe requested	100%	100%	Performance data will be recorded by the Commission and reported regularly

Prepare and conduct of General Elections, by-elections, and referenda

Preparations for and conduct of one-off electoral events (by-elections and referenda) as and when notified

Result/Measure	Performance Target forecast		How it will be measured
	This Year	Last Year	
Quantity Measures			
Electoral events are conducted as and when required	Achieved	Achieved	Performance data will be recorded by the Commission and reported in post event reports
Quality Measures			
Conducted in accordance with the provisions of the Electoral Act 1993 and other legislation enacted for the purposes	Achieved	Achieved	Performance data will be recorded by the Commission and reported in post-event reports
Timeliness Measures			
Availability of results on election day:			
<ul style="list-style-type: none"> Advance Voting Results 50% of Voting Place Results 100% of Voting Place Results 	7:30pm	7:30pm	Performance data will be recorded by the Commission and reported in post-event reports
Availability of Official Results	11 Days After	11 Days After	
Declaration of List Members to vacancies after notification	3 Days after	3 Days after	

Compiling and maintaining electoral rolls

Promoting awareness of the requirement to enrol, keep enrolment details up-to-date, process applications for enrolment, and update of elector details on a daily basis.

Result/Measure	Performance Target Forecast		How it will be measured
	This Year	Last Year	
<u>Quantity Measures</u>			
Applications for enrolment processed	350,000	400,000	Performance data will be recorded by the Commission and reported regularly
Updates to elector information processed	600,000	900,000	
Undertake the 2013 Māori Electoral Option	Achieved	-	
<u>Quality Measures</u>			
% of accuracy as advised by electors	100%	100%	Performance data will be recorded by the Commission and reported regularly
<u>Timeliness Measures</u>			
Produce list of electors	As and when required	As and when required	Performance data will be recorded by the Commission and reported regularly

Forecast Financial Statements

Forecast Statement of Comprehensive Income

<i>Estimated Actual 30 June 2012</i>		<i>2013 Forecast</i>	<i>2014 Forecast</i>	<i>2015 Forecast</i>
	Income			
	Crown Revenue:			
35,681	Electoral Administration	5,976	9,731	27,771
-	Electoral Rolls	14,192	17,866	14,192
2,836	Election Broadcasting	-	-	2,855
179	Representation Commission	-	1,281	-
-	Māori Electoral option	5,300	-	-
374	Interest	147	184	306
1	Other Income	-	-	-
39,071	Total Income	25,615	29,062	45,124
	Expenditure			
19,577	Personnel	2,498	3,712	17,206
17,900	Operating Costs	3,278	6,964	11,360
2,836	Broadcast Funding Allocation	-	-	2,855
-	Representation Commission	228	1,281	-
-	Maintenance of Electoral Rolls	14,192	17,866	14,192
-	Māori Electoral Option	5,300	-	-
51	Depreciation	55	13	18
70	Audit Fee	60	60	60
40,434	Total Expenditure	25,611	29,896	45,691
(1,363)	Net Surplus/Deficit	4	(834)	(567)

Forecast Statement of Movements in Equity

<i>Estimated Actual 30 June 2012</i>		<i>June 2013 Forecast</i>	<i>June 2014 Forecast</i>	<i>June 2015 Forecast</i>
4,617	Opening Balance	3,254	3,258	2,424
(1,363)	Net Surplus(Deficit) for the Year	4	(834)	(567)
3,254	Public Equity as at 30 June	3,258	2,424	1,857

Forecast Statement of Financial Position

<i>Estimated Actual 30 June 2012</i>		<i>June 2013 Forecast</i>	<i>June 2014 Forecast</i>	<i>June 2015 Forecast</i>
	Current Assets			
4,280	Cash & Cash Equivalents	4,001	3,445	2,981
-	Debtors	-	-	-
-	Prepayment	-	-	-
4,280	Total Current Assets	4,001	3,445	2,891
	Current Liabilities			
750	Creditors and other payables	400	650	715
300	Employee entitlements	330	363	399
1,050	Total Current Liabilities	730	1,013	1,114
3,230	Working Capital	3,271	2,432	1,867
	Non-current Assets			
54	Property, Plant and Equipment	20	28	30
54	Total Non-current Assets	20	28	30
	Non-current Liabilities			
30	Employee entitlements	33	36	40
30	Total Non-current Liabilities	33	36	40
3,254	Net Assets	3,258	2,424	1,857
	Public Equity			
3,254	General Funds	3,258	2,424	1,857
3,254	Total Public Equity	3,258	2,424	1,857

Forecast Statement of Cash Flows

<i>Estimated Actual 30 June 2012</i>		<i>June 2013 Forecast</i>	<i>June 2014 Forecast</i>	<i>June 2015 Forecast</i>
	Cash Flows from Operating Activities			
	<i>Cash was provided from:</i>			
38,696	Crown	25,468	28,878	44,818
374	Interest income	147	184	306
1	Other Income	-	-	-
39,071		25,615	29,062	45,124
	<i>Cash was applied to:</i>			
19,552	Employees	2,465	3,676	17,166
20,673	Suppliers	23,409	25,922	28,402
40,225		25,874	29,598	45,568
(1,154)	Net cash flow from operating activities	(259)	(536)	(444)
	Cash Flows from Investing Activities			
	<i>Cash was provided from:</i>			
	Disposal of Fixed Assets			
	<i>Cash was applied to:</i>			
	Purchase of Fixed Assets	20	20	20
-	Net cash flow from investing activities	(20)	(20)	(20)
(1,154)	Net increase/(decrease) in cash held	(279)	(556)	(464)
5,434	Cash at Start of Year	4,280	4,001	3,445
4,280	Cash held at the end of the year	4,001	3,445	2,981

Notes to and forming part of the Financial Statements

Statement of underlying assumptions

Significant assumption

The forecast financial statements are based on the underlying assumption that no by-election will be held during the period. In the event that a by-election is required to be conducted, additional funding will be sought.

Other assumptions

Under the Crown Entities Act 2004, the Commission must include prospective financial statements in its statement of intent as part of promoting public accountability.

The purpose for which these financial statements have been prepared is to indicate the likely financial impact of the implementation of the Commission's longer term strategic direction. The information disclosed is indicative only and may not be appropriate for any other purpose.

The forecast financial statements have been prepared in accordance with NZ IFRS.

These financial statements are not audited.

The statements contain the best estimates and assumptions as to future events that are expected to occur. These forecast financial statements are likely to vary from the actual financial results achieved for the period covered and from the information presented. The variations may be material.

We have based our occupancy and administration costs on our historical experience. We have included all known or reasonably estimated increases or decreases in any expense category. We have not made any allowance for revaluation of fixed assets in these statements.

Depreciation and amortisation costs are based on the assumption that the Commission will replace assets including software as required.

We assume that there will be no changes to the accounting policies that would materially affect the figures represented at this time.

Statement of accounting policies

Reporting Entity

The Electoral Commission is an Independent Crown Entity defined by the Crown Entities Act 2004, and is domiciled in New Zealand. As such the Electoral 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, and related electoral legislation.

Basis of preparation

The prospective financial statements have been adapted to comply with New Zealand International Financial Reporting Standards. The preparation of prospective financial statements in conformity with NZ IFRS requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure.

The prospective financial statements have been prepared on the historical cost basis.

Accounting policies

The following accounting policies, which materially affect the measurement of financial performance and financial position, have been applied.

Revenue

The Commission derives revenue from the provision of outputs to the Crown and income from investments. Revenue from the Crown is recognised as revenue in the year in which it is appropriated and is reported in the financial period to which it relates. Other revenue is recognised in the period in which it is earned.

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables which are stated with GST included.

Taxation

The Commission is a public authority in terms of the Income Tax Act 2004 and consequently is exempt from income tax.

Fixed assets

Property, plant and equipment asset classes consist of office equipment, furniture and fittings, computer equipment and leasehold improvements.

Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation.

Depreciation

Depreciation is provided on a straight line basis on all fixed assets at a rate that will write off the cost or valuation of the assets over their useful lives.

The useful lives and associated depreciation rates of major classes have been estimated as follows:

Office Equipment	20%
Computer Equipment	33%
Furniture & Fittings	20%
Leasehold Improvements	11%
Software	33%

Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

Financial instruments

The Commission is a party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the prospective statement of financial position and all revenue and expenses in relation to financial instruments are recognised in the prospective statement of comprehensive income. All financial instruments are shown at their estimated fair value.

Accounts receivable

Accounts receivable are stated at their estimated realisable value after providing for doubtful and uncollectable debts.

Employee entitlements

Provision is made in respect of employee benefits expected to be settled within 12 months of reporting date and are measured at the best estimate of the consideration required to settle the obligation using current remuneration rates. These amounts are included in Employee Entitlements.

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Websites

Information on elections: www.elections.org.nz
Information on the MMP Review www.mmpreview.org.nz
Information on election results: www.electionresults.govt.nz