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# **Electoral Commission**

*Te Kaitiaki Take Kōwhiri*

## **Statement of Performance Expectations**

**2014/15 – 2020/21**

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PRESENTED TO THE HOUSE OF REPRESENTATIVES

PURSUANT TO SECTION 149C

OF THE CROWN ENTITIES ACT 2004

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Information on election results: [www.electionresults.govt.nz](http://www.electionresults.govt.nz)



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## Introduction

The Commission is an independent Crown Entity under the Crown Entities Act 2004 responsible for administering all aspects of parliamentary elections and referenda, and is not subject to Ministerial direction in carrying out those functions.

This Statement of Performance Expectations has been prepared in accordance with the requirements of section 149 of the Crown Entities Act 2004. It outlines how we will contribute over the next year and beyond to New Zealand's democracy by impartially, efficiently and effectively administering the electoral laws.

This Statement of Performance Expectations reflects and is intended to be read with the Commission's 2014/15 – 2020/21 Statement of Intent.



Hon Sir Hugh Williams QC  
Chair



Jane Huria CNZM  
Deputy Chair



Robert Peden  
Chief Electoral Officer

## Services for 2014/15 and Out Years

### Work Programme

The primary output for 2014/15 will be the successful conduct of the 20 September General Election. Around this is the preparatory work including finalised broadcasting allocations, advice on electoral matters, the electoral roll update campaign, and the post-election reviews and report.

In the following years covered by this statement the Commission's work programme will include administration of the 2017 and 2020 General Elections, the next Māori Electoral Option and support for the work of the Representation Commission, in addition to those steps necessary to undertake the following subject to any required funding and related legislative change:

- implementation of the Commission's strategy for promoting participation in parliamentary elections
- identification and implementation of recommended internal system and procedural improvements for the 2017 General Election and beyond
- supporting identified proposals for legislative reform
- replacement of the existing Election Management System by 2017 at an estimated cost of \$2.5m
- development of an online voting option available for trialling at the 2017 General Election at an estimated cost of \$6-\$7m

### Government Funding

The Commission is funded by the Government through the Vote Justice Non-Departmental output class of Electoral Services.

The Commission is fully funded for the administration of the 2014 General Election with 2014/15 appropriations of \$46.848m and forecasted reserves carried forward from the current (2013/14) year of \$10.3m.

The forecasts provided in this statement for the next two electoral cycles include yet to be finalised variable funding required to enable the Commission to conduct the 2017 and 2020 elections at the same or improved service levels as for 2014, inclusive of forecasted voting age population growth and increases in supply costs.

The forecast variable funding requirements in out-years by event are summarised below. These numbers exclude funding for the replacement of the election management system (\$2.5m) and development of an online voting option for the 2017 General Election (\$6-7m), both of which will be subject to successful funding requests being prepared and submitted as part of the 2015/16 budget round.

Electoral Commission Forecast Variable Funding Requirements							
\$M	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2010/21
Roll update campaign for Local Government Elections	-	2.576	-	-	4.000	-	-
Roll update campaign for the General Election	-	-	-	6.551	-	-	7.400
Conduct of the General Election	-	-	4.000	12.000	-	8.000	14.000
Conduct of the Maori Electoral Option	-	-	-	5.390	0.662	-	-
Servicing the Representation Commission	-	-	-	0.204	1.463	-	-
<b>Totals</b>	<b>-</b>	<b>2.576</b>	<b>4.000</b>	<b>24.145</b>	<b>6.125</b>	<b>8.000</b>	<b>21.000</b>

## Summary of Outputs and Output Expenses for 2014/15

The forecast expenses for each of the Commission's outputs, and the total forecast revenue, are provided below:

<b>Forecast output expenditure</b>	<b>2014/15</b>
<b>Output Class – Provision of Electoral Services</b>	
<b>Output Area - On-Going Activities:</b>	<b>\$ 4.612m</b>
Output 1: Facilitate participation in parliamentary elections	
Output 2: Making 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	
Output 3: Promoting public awareness of electoral matters through education and information programmes	
Output 4: Providing advice to the Minister and the House on electoral matters, including those referred to the Electoral Commission	
<b>Output Area - Producing And Maintaining Rolls:</b>	<b>\$21.522m</b>
Output 5: Compiling and maintaining electoral rolls	
<b>Output Area – Conduct Of Electoral Events:</b>	<b>\$25.449m</b>
Output 6: Conduct of the 2014 General Election	
	<b>\$ 2.855m</b>
<b>Output Class – Broadcasting (Permanent Legislative Authority)</b>	
The allocation of available broadcasting time and funding	
<b>Total Forecast output expenditure</b>	<b>\$54.438m</b>
<b>Forecast revenue</b>	
<b>Crown Revenue</b>	<b>\$46.848m</b>
<b>Interest Revenue</b>	<b>\$ 0.306m</b>
<b>Other Revenue</b>	<b>\$ 0.060m</b>
<b>Total Forecast revenue</b>	<b>\$47.214m</b>
<b>Surplus to / (Shortfall from) Current Reserves (\$7.224m)</b>	

## Forecast Service Performance 2014/15

Measures by outputs under each of the Commission's 3 impacts for this financial year are detailed in the tables below:

### New Zealanders Value their Vote

#### Output 1 - Facilitate participation in parliamentary elections

2014/15 Measure	Performance		How it will be measured
	Target This GE	Achieved Last GE	
Percentage of eligible New Zealanders enrolled on election day	90.5–92.5%	93.7%	Performance data will be recorded by the Commission and reported in the post-event report
Percentage of eligible New Zealanders voting in the General Election	69.6-75.0%	69.6%	
Percentage of 18 to 24 year olds enrolled	75.0-80.0%	77.9%	

### Better Understanding of Elections

#### Output 2 - Making 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

2014/15 Measure	Performance		How it will be measured
	Target This Year	Achieved Last Year	
<b>Quantity Measures</b> All returns are by due dates. Requests, and complaints received are processed	100%	100%	Performance data will be recorded by the Commission and reported regularly
<b>Quality Measures</b> Feedback received on advisory opinions indicates satisfaction with the standard of the response	Satisfactory or better	Satisfactory or better	Feedback will be gathered by survey within one month of election day
<b>Timeliness Measures</b> Response time for follow-up action on statutory returns where non-compliance is established. Response time to requests for advisory opinions	5 working days 5 working days	5 working days 5 Working days	Performance data will be recorded by the Commission and reported regularly

#### Output 3 Promoting public awareness of electoral matters through education and information programmes

2014/15 Measure	Performance		How it will be measured
	Target This GE	Achieved Last GE	
Percentage of voters who consider the voting system easy to understand	60%	N/A	Performance data will be recorded by the Commission and reported in the post-event report
Rate of informal voting as a result of error in marking the voting paper	0.25%	0.26%	

## Impartial, effective, and efficient administration of elections

### Output 4 - Providing advice to the Minister and the House on electoral matters, including those referred to the Electoral Commission

2014/15 Measure	Performance		How it will be measured
	Target This Year	Achieved Last Year	
<b>Quantity Measures</b>			Performance data will be recorded by the Commission and reported in the post-event report
All requests for policy advice are acknowledged and scheduled into the work programme	Achieved	Achieved	
<b>Quality Measures</b>			
Advice does not require further clarification	Achieved	Achieved	
<b>Timeliness Measures</b>			
Advice provided in the timeframe requested	Achieved	Achieved	

### Output 5 - Compiling and maintaining electoral rolls

2014/15 Measure	Performance		How it will be measured
	Target This Year	Achieved Last GE	
<b>Quantity Measures</b>			Performance data will be recorded by the Commission and reported regularly
Number of applications for enrolment processed	400,000	476,004	
Number of updates to elector information processed	900,000	996,603	
<b>Quality Measures</b>			
% of accuracy of processing	>99%	100%	
<b>Timeliness Measures</b>			
Applications and changes are processed on receipt with confirmations (excepting changes to honorifics and occupation) prepared and mailed by the following Tuesday	>99%	Not Measured	

### Output 6 - Conduct of 2014 General Election

2014/15 Measure	Performance		How it will be measured
	Target This GE	Achieved Last GE	
<b>Quantity Measures</b>			Performance data will be recorded by the Commission and reported in the post-event report
Percentage of New Zealanders who express confidence in the administration of the electoral system	90%	Not measured	
Percentage of New Zealanders who express satisfaction with the administration of the General Election	90%	88%	
<b>Quality Measures</b>			
Conducted in accordance with the provisions of the Electoral Act 1993	Achieved	Achieved	
<b>Timeliness Measures</b>			
Release of results on election day:			
• 100% of Advance Voting results by 8:30pm	Achieved	96%	
• 50% of Voting Place results by 10:00pm	Achieved	93%	
• 100% of Voting Place results by 11:30pm	Achieved	99.9%	
Availability of Official Results with 14 days	Achieved	Achieved	



## Forecast Financial Statements 2014/15 – 2020/21

### Statement of Forecast Comprehensive Income

<i>Estimated Actual 30 June 2014</i>		<i>2014-15 Forecast</i>	<i>2015-16 Forecast</i>	<i>2016-17 Forecast</i>	<i>2017-18 Forecast</i>	<i>2018-19 Forecast</i>	<i>2019-20 Forecast</i>	<i>2020-21 Forecast</i>
	<b>Income</b>							
	Crown Revenue for:							
37,466	Electoral Services - Core	43,993	16,526	27,597	32,376	15,951	27,597	32,376
	Electoral Services - Variable		2,576	4,000	18,551	4,000	8,000	21,400
	Broadcasting Allocation	2,855			2,855			2,855
1,281	Representation Commission				204	1,463		
	Maori Electoral Option				5,390	662		
381	Interest	306	250	250	250	250	250	250
587	Other Income	60						
<b>39,715</b>	<b>Total Income</b>	<b>47,214</b>	<b>19,352</b>	<b>31,847</b>	<b>59,626</b>	<b>22,326</b>	<b>35,847</b>	<b>56,881</b>
	<b>Expenditure</b>							
5,796	Personnel	18,072	2,711	5,239	18,426	2,936	5,600	18,810
32,302	Operating Costs	33,356	15,934	28,076	32,723	16,945	30,016	34,998
	Broadcast Funding Allocation	2,855			2,855			2,855
1,281	Representation Commission Expenses				204	1,463		
971	Maori Electoral Option				5,390	662		
73	Depreciation	95	87	89	90	90	90	90
50	Audit Fee	60	65	54	65	70	59	70
<b>40,473</b>	<b>Total Expenditure</b>	<b>54,438</b>	<b>18,797</b>	<b>33,458</b>	<b>59,753</b>	<b>22,166</b>	<b>35,765</b>	<b>56,823</b>
<b>(758)</b>	<b>Net Surplus/Deficit</b>	<b>(7,224)</b>	<b>555</b>	<b>(1,611)</b>	<b>(127)</b>	<b>160</b>	<b>82</b>	<b>58</b>

## Statement of Forecast Changes in Equity

<i>Estimated Actual</i> <i>30 June 2014</i>		<i>June 2015</i> <i>Forecast</i>	<i>June 2016</i> <i>Forecast</i>	<i>June 2017</i> <i>Forecast</i>	<i>June 2018</i> <i>Forecast</i>	<i>June 2019</i> <i>Forecast</i>	<i>June 2020</i> <i>Forecast</i>	<i>June 2021</i> <i>Forecast</i>
11,086	<b>Opening Balance</b>	10,328	3,104	3,659	2,048	1,921	2,081	2,163
(758)	Crown Capital Funding Net Surplus / (Deficit) for the Year	(7,224)	555	(1,611)	(127)	160	82	58
<b>10,328</b>	<b>Public Equity as at 30 June</b>	<b>3,104</b>	<b>3,659</b>	<b>2,048</b>	<b>1,921</b>	<b>2,081</b>	<b>2,163</b>	<b>2,221</b>

## Statement of Forecast Financial Position

<i>Estimated Actual 30 June 2014</i>		<i>June 2015 Forecast</i>	<i>June 2016 Forecast</i>	<i>June 2017 Forecast</i>	<i>June 2018 Forecast</i>	<i>June 2019 Forecast</i>	<i>June 2020 Forecast</i>	<i>June 2021 Forecast</i>
	<b>Current Assets</b>							
10,619	Cash & Cash Equivalents	2,927	3,345	3,397	1,853	1,905	3,512	2,133
340	Debtors	265	267	342	269	266	333	270
	Prepayment							
<b>10,959</b>	<b>Total Current Assets</b>	<b>3,192</b>	<b>3,612</b>	<b>3,739</b>	<b>2,122</b>	<b>2,171</b>	<b>3,845</b>	<b>2,403</b>
	<b>Current Liabilities</b>							
713	Creditors and other payables	263	63	1,663	263	113	1,613	213
199	Employee entitlements	9	25	198	38	70	189	56
<b>912</b>	<b>Total Current Liabilities</b>	<b>272</b>	<b>88</b>	<b>1,861</b>	<b>301</b>	<b>183</b>	<b>1,802</b>	<b>269</b>
<b>10,047</b>	<b>Working Capital</b>	<b>2,920</b>	<b>3,524</b>	<b>1,878</b>	<b>1,821</b>	<b>1,988</b>	<b>2,043</b>	<b>2,134</b>
	<b>Non-current Assets</b>							
156	Property, Plant and Equipment	116	119	150	120	120	150	120
169	Prepayments	127	85	43				
<b>325</b>	<b>Total Non-current Assets</b>	<b>243</b>	<b>204</b>	<b>193</b>	<b>120</b>	<b>120</b>	<b>150</b>	<b>120</b>
	<b>Non-current Liabilities</b>							
44	Employee entitlements	59	69	23	20	27	30	33
<b>44</b>	<b>Total Non-current Liabilities</b>	<b>59</b>	<b>69</b>	<b>23</b>	<b>20</b>	<b>27</b>	<b>30</b>	<b>33</b>
<b>10,328</b>	<b>Net Assets</b>	<b>3,104</b>	<b>3,659</b>	<b>2,048</b>	<b>1,921</b>	<b>2,081</b>	<b>2,163</b>	<b>2,221</b>
	<b>Public Equity</b>							
10,328	General Funds	3,104	3,659	2,048	1,921	2,081	2,163	2,221
<b>10,328</b>	<b>Total Public Equity</b>	<b>3,104</b>	<b>3,659</b>	<b>2,048</b>	<b>1,921</b>	<b>2,081</b>	<b>2,163</b>	<b>2,221</b>

## Statement Forecast of Cash Flows

<i>Estimated Actual</i>		<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<i>Estimated</i>		<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<i>Actual 30 June</i>								
<b>Cash Flows from Operating Activities</b>								
<i>Cash was provided from:</i>								
38,747	Crown	46,848	16,526	27,597	40,825	18,076	27,597	56,631
381	Interest income	306	250	250	250	250	250	250
	Unconfirmed Funding		2,576	4,000	18,551	4,000	8,000	
587	Other Income	60						
<b>39,715</b>		<b>47,214</b>	<b>19,352</b>	<b>31,847</b>	<b>59,626</b>	<b>22,326</b>	<b>35,847</b>	<b>56,881</b>
<i>Cash was applied to:</i>								
6,003	Employees	18,247	2,685	5,112	18,589	2,897	5,478	18,940
33,433	Suppliers	36,604	16,159	26,563	42,521	19,287	28,642	39,260
<b>39,436</b>		<b>54,851</b>	<b>18,844</b>	<b>31,675</b>	<b>61,110</b>	<b>22,184</b>	<b>34,120</b>	<b>58,200</b>
<b>279</b>	<b>Net cash flow from operating activities</b>	<b>(7,637)</b>	<b>508</b>	<b>172</b>	<b>(1,484)</b>	<b>142</b>	<b>1,727</b>	<b>(1,319)</b>
<b>Cash Flows from Investing Activities</b>								
<i>Cash was provided from:</i>								
Disposal of Fixed Assets								
<i>Cash was applied to:</i>								
98	Purchase of Fixed Assets	55	90	120	60	90	120	60
<b>(98)</b>	<b>Net cash flow from investing activities</b>	<b>(55)</b>	<b>(90)</b>	<b>(120)</b>	<b>(60)</b>	<b>(90)</b>	<b>(120)</b>	<b>(60)</b>
<b>181</b>	<b>Net increase/(decrease) in cash held</b>	<b>(7,692)</b>	<b>418</b>	<b>52</b>	<b>(1,544)</b>	<b>52</b>	<b>1,607</b>	<b>(1,379)</b>
10,438	Cash at Start of Year	10,619	2,927	3,345	3,397	1,853	1,905	3,512
<b>10,619</b>	<b>Cash held at the end of the year</b>	<b>2,927</b>	<b>3,345</b>	<b>3,397</b>	<b>1,853</b>	<b>1,905</b>	<b>3,512</b>	<b>2,133</b>

## Notes to and forming part of the Forecast Financial Statements

### Statement of underlying assumptions

#### *Significant assumption*

The forecast financial statements are based on the underlying assumption that no by-election or referendum 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 performance expectations 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 GAAP and comply with PBE FRS 42.

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 GAAP and PBE FRS 42 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 un-collectable debts.

### *Employee entitlements*

Provision is made in respect of employee entitlements expected to be settled within 12 months of the reporting date (current liabilities) and those beyond 12 months (long-term liabilities). The entitlements are measured at the best estimate of the consideration required to settle the obligation using current remuneration rates. Employee entitlements include accrued salary and wages, unused annual and long-service leave, and accrued retirement leave.



**Electoral Commission**

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