



Statement of Performance Expectations

Electoral Commission
Te Kaitiaki Take Kōwhiri

2018/2019 - 2023/2024



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Contents

Introduction	1
Overview	2
Scope of Appropriation	
What is intended to be achieved with this Appropriation	
Functions	
Activities	
Summary of key priorities	4
Outcomes framework	5
Forecast Service Performance 2018/2019	6
Impact: Electors have trust in the electoral process	
Output 1: Maintaining and protecting the integrity of the electoral system	
Output 2: Conduct of general elections, by-elections and referenda	
Impact: People understand the electoral system	
Output 3: Provision of information	
Impact: People value their vote and take part	
Output 4: Facilitation of participation	
Summary of Outputs and Output Expenses for 2018/19	10
Forecast Financial Statements 2018/19 – 2023/24	11
Statement of Forecast Comprehensive Revenue and Expense	
Statement of Forecast Changes in Equity	
Statement of Forecast Financial Position	
Statement Forecast of Cash Flows	
Notes to and forming part of the Forecast Financial Statements	15
Statement of underlying assumptions	
Reporting Entity	
Basis of preparation	

Introduction

The Commission is an independent Crown Entity under the Crown Entities Act 2004 responsible for administering all aspects of parliamentary elections and referenda. It is independent of Ministerial direction other than giving effect to directions to support a whole of government approach as required under s107 of the Crown Entities Act 2004.

This Statement of Performance Expectations has been prepared in accordance with the requirements of section 149C 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 Parliamentary electoral system.

This Statement of Performance Expectations reflects and is intended to be read with the Commission's 2018/19 – 2023/24 Statement of Intent.



Hon Sir Hugh Williams QC
Chair



Kristy McDonald QC
Deputy Chair



Alicia Wright
Chief Electoral Officer



Overview

The Electoral Commission is funded through the Estimates of Appropriations for the Government of New Zealand which is the Government-level budget (found at www.treasury.govt.nz/budget). The funding is included under Vote Justice – Justice Sector – Electoral Services.

Scope of Appropriation

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

What is intended to be achieved with this Appropriation

This appropriation is intended to achieve the efficient running of New Zealand's parliamentary elections and referenda. Whilst each by-election is separately funded, the funding is attributed to this appropriation.

Functions

The statutory objective of the Commission is to administer the electoral system impartially, efficiently, effectively, and in a way that;

- facilitates participation in parliamentary democracy;
- promotes understanding of the electoral system; and
- maintains confidence in the administration of the electoral system.

To fulfil its objectives the Commission:

- is impartial, acts in accordance with law, and maintains its independence;
- is committed to protecting electors' privacy;
- supports the rights of voters to vote without undue influence and in secret;
- undertakes community engagement to promote participation in elections, particularly in communities that have lower rates of participation;
- works with community groups and schools to promote understanding of MMP and how to participate;
- works to reduce barriers to participation, both for voters and for parties and candidates;
- maintains a comprehensive and accurate elector roll;
- delivers timely and accurate election results;
- is open to public, judicial and parliamentary scrutiny.

Activities

The activities of the Commission comprise:

- registering electors and maintaining the electoral rolls, including supplying the rolls to local authorities for the 2019 and 2022 local authority elections
- promoting public awareness of electoral matters including the conduct of education and information programmes
- conducting the 2020 and 2023 General Elections, including the allocation of broadcasting funding
- conducting by-elections and referenda as and when required
- conducting the Māori Electoral Option between 3 April and 2 August 2018
- administering compliance with electoral laws by making available information, including advisory opinions, to assist political parties, candidates, and third parties to meet their statutory obligations with respect to electoral matters
- supporting the boundary review process to be undertaken by the Representation Commission in 2019
- registering political parties and party logos
- considering and reporting to the Minister and to the House on electoral matters including the provision of independent, high quality advice on proposed or desirable changes to electoral laws
- filling any list vacancies as and when they arise



Summary of key priorities

	2020 Electoral Cycle 2018/2019 2019/2020		2021/2022 2020/2021		2023 Electoral Cycle 2022/2023 2023/2024	
Integrity – how can we continue to protect the integrity of the electoral system?						
Continue to improve our control of materials						
Continue to maintain integrity of the roll including good stewardship of roll data						
People – how can we make the Commission an even better place to work?						
Develop and implement People Strategy						
Improve employee engagement						
Improve how we support community engagement						
Strengthen staff diversity						
Better ways of working together – what is the best way to work together to benefit from an integrated organisation?						
Implement a programme management methodology						
Improve internal communications						
Move our IT infrastructure onto a single, common platform						
Customer-led service delivery model – what services do we need for the future?						
Make enrolment and voting easier and faster						
Reduce the need for special declaration votes						
Investigate ways of making participation and compliance easier for parties, candidates and third parties						
Digital technology – what is our vision of where we are heading in a digital world?						
Develop and begin implementation of an IT strategy						
Implement a new website						
Partnerships – how can we get better at fostering partnerships to support our work?						
Develop and implement a strategy for engaging with stakeholders						
Implement tools and processes to support improved partnerships and stakeholder management						
Continue to extend our electoral assistance in the Pacific region in association with MFAT						

Outcomes framework

The framework below summarises our services and the results or impacts they will deliver towards our main outcome of a healthy democracy.



Forecast Service Performance 2018/2019

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

Impact: Electors have trust in the electoral process

Output 1: Maintaining and protecting the integrity of the electoral system

Maintaining integrity in the democratic process gives New Zealanders confidence in the country's electoral administration and strengthens how New Zealand's integrity is perceived internationally.

There are two key elements to maintaining this confidence:

1. ensuring all those who are eligible to take part have the opportunity to do so (accessibility); and
2. ensuring there are appropriate safeguards to protect from the risk of manipulation or fraud (integrity).

There is a need for the Commission to maintain a balance between these two elements.

The Commission wants to:

- maintain trust and confidence in the Parliamentary electoral system
- maintain its independence and impartiality, both actual and perceived
- ensure both the physical security and cyber security of its staff, property, materials, systems and information (especially the electoral roll)

We will measure our success in the following ways:

2018/19 Measure	Performance Target	How it will be measured	Current Comparatives
Percentage of accuracy of the electoral roll	85% or more	An independent survey of electors on the roll will be conducted annually	95%
Adherence to the Commission's quality assurance practices around the integrity of the roll	100%	Reported from the enrolment system. This will be measured annually.	100%
Percentage of enrolment transactions that are conducted digitally	10%	Data will be recorded by the Commission and reported annually	8%

Output 2: Conduct of general elections, by-elections and referenda

The Commission aims to protect the integrity of the electoral system whilst ensuring there is a high level of accessibility for users.

The Commission wants to:

- design and implement any changes to systems in ways that ensure continued accessibility
- reduce special declaration votes while maintaining accessibility
- ensure voting places are in easily accessible locations
- make enrolment and voting easier and faster

We will measure our success in the following ways:

2018/19 Measure	Performance Target	How it will be measured	Current Comparatives
Percentage of electors within 5km of a voting place or advance voting place	94%	Data will be recorded by the Commission and reported at each electoral event	94%
Percentage of disallowed party special votes	5%	Data will be recorded by the Commission and reported at each general election	6%
Percentage of special declaration votes	16%	Data will be recorded by the Commission and reported at each general election	17%

Other measures as included in the Estimates of Appropriation

2018/19 Measure	Performance Target	How it will be measured	Current Comparatives
Percentage of eligible electors enrolled at year-end	90.9%	Reported from the enrolment system and compared to data from the Census of Population	92.4%
Release of by-election results: Full preliminary count results published by 10pm	100%	Data will be recorded by the Commission and reported at each general election	NA
Release of Referenda (postal) results: Preliminary results published by 8.30pm on the last day of the voting period	100%	Data will be recorded by the Commission and reported at each general election	NA

Impact: People understand the electoral system

Output 3: Provision of information

The Commission wants to provide information and services at a place and time that is convenient and in a way that meets the needs of our customers, including candidates, parties and third parties.

The Commission wants to:

- investigate ways of making participation and compliance easier for political parties, candidates and third parties
- develop and begin implementing an information technology strategy that seeks to increase digitisation wherever possible

2018/19 Measure	Performance Target	How it will be measured	Current Comparatives
Percentage of advisory opinions issued within 5 working days	95%	Data will be recorded by the Commission and reported annually	97.5%
Average number of pieces of correspondence to electors by post	1.27	Data will be recorded by the Commission and reported annually	1.3

Impact: People value their vote and take part

Output 4: Facilitation of participation

The Commission wants to facilitate high levels of participation. The Commission's approach to increasing participation relies on partners who can help us engage with communities and get information and services to voters. The Commission would like to strengthen the partnerships it has and develop new ones with those who see their community's participation in elections as mutually advantageous.

The Commission wants to:

- develop and implement a strategic approach for engaging with stakeholders
- implement tools and processes to support improved partnerships and stakeholder management
- maintain high levels of enrolment and voting
- introduce new methods of voting for remote voters
- increase turnout amongst Māori, youth, Pacific peoples, Asian and Culturally and Linguistically Diverse communities
- strengthen staff diversity

We will measure our success in the following ways:

2018/19 Measure	Performance Target	How it will be measured	Current Comparatives
Number of people enrolled (monthly average for the year reported annually)	3.29m	Reported from the enrolment system. This will be measured annually and at the point of a general election	3.134m
Number of 18 to 24 year olds enrolled (monthly average for the year reported annually)	0.315m	Reported from the enrolment system. This will be measured annually and at the point of a general election	0.298m
Number of 18 to 24 year olds voting	0.234m	Reported from the roll scrutiny application. This will be measured at the point of an electoral event	0.231m
Turnout of enrolled electors of Māori descent	0.357m	Reported from the roll scrutiny application. This will be measured at the point of a general election	0.339m
Turnout of enrolled electors	2.69m	Reported from the roll scrutiny application. This will be measured at the point of a general election	2.63m
Voting staff reflect the communities they serve	12% Māori 6% Pacific 7% Asian	Data from the recruitment system based on self-reported ethnicity. This will be measured at the point of a general election	10.8% Māori 5.4% Pacific 6.6% Asian



Summary of Outputs and Output Expenses for 2018/19

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

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

2017/18 Outlook	2018/19 Forecast
\$M Forecast output expenditure	\$M
OUTPUT CLASS – PROVISION OF ELECTORAL SERVICES	
Output Area - Producing And Maintaining Rolls:	
\$11.757 Output 1: Maintaining and protecting the integrity of the electoral roll	\$13.387
Output Area – Conduct Of Electoral Events:	
\$35.262 Output 2: Conduct of the 2020 General Election	\$ 0.927
\$ 4.744 Conduct of the 2018 Māori Electoral Option	\$ 0.727
\$ 0.204 Support the work of the Representation Commission	\$ 1.466
\$ 9.570 Output Area - On-going Activities:	\$ 6.141
Output 3: Provision of Information	
Output 4: Facilitation of participation	
OUTPUT CLASS – BROADCASTING ALLOCATION (PLA)	
\$ 3.605 The allocation of available broadcasting funding to eligible Political Parties	\$Nil
\$65.142 Total Forecast output expenditure	\$22.648
FORECAST REVENUE	
\$61.354 Crown Revenue	\$24.200
\$ 1.473 Interest and Other Income	\$ 0.399
\$62.827 Total Forecast revenue	\$24.599
(\$2.315) Surplus to / (Shortfall from) Current Reserves excluding International Assistance	\$ 1.951
International Assistance expenditure	
\$ 2.726 International Assistance to Pacific Nations in association with the Ministry of Foreign Affairs and Trade	\$ 1.826
International Assistance revenue	
\$ 2.726 International Assistance to Pacific Nations in association with the Ministry of Foreign Affairs and Trade	\$ 1.826
(\$2.315) Surplus to / (Shortfall from) Current Reserves	\$ 1.951

Forecast Financial Statements

2018/19 – 2023/24

The out-year forecasts provided in the Forecast Financial Statements also include the yet-to-be-finalised variable component of the Commission's appropriations. This variable component is subject to a business case prepared at the start of each electoral cycle detailing the funding required to cover the preparatory work, enrolment drive and conduct for the upcoming General Election, Māori Electoral Option and support for the work of the Representation Commission not met by baseline appropriations or current reserves.

Statement of Forecast Comprehensive Revenue and Expense

Estimated Actual		Y1	Y2	Y3	Y1	Y2	Y3
		2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Income							
Crown Revenue for:							
52,735	Electoral Services - Core	15,951	27,597	32,376	15,951	27,597	32,376
	Electoral Services - Variable	6,049	7,403	28,324	8,535	11,358	35,183
3,605	Broadcasting Allocation			3,605			3,605
270	Representation Commission	1,400				301	1,558
4,744	Māori Electoral Option	800				5,738	890
By Elections							
61,354	Sub-Total Crown Revenue	24,200	35,000	64,305	24,486	44,994	73,612
255	Interest Income	250	250	250	250	250	250
221	Roll Sales	150	150	150	150	150	150
2,726	International Assistance	1,825	1,750	635	305		
997	Other Income						
65,553	Total Income	26,425	37,150	65,340	25,191	45,394	74,012
Expenditure							
29,135	Personnel	10,285	12,023	30,617	11,238	13,138	33,456
20,876	Operating Costs	2,766	15,470	26,409	3,799	17,898	30,477
6,085	Enrolment Services	6,920	5,594	6,130	7,258	5,839	6,412
3,605	Broadcast Funding Allocation			3,605			3,605
204	Representation Commission Expenses	1,466				301	1,558
4,744	Māori Electoral Option	727				5,738	890
2,726	International Assistance	1,825	1,750	635	305		
419	Depreciation	419	419	419	420	420	420
74	Audit Fee	67	70	78	71	74	82
67,868	Total Expenditure	24,474	35,326	67,892	23,090	43,408	76,899
(2,315)	Net Surplus/Deficit	1,951	1,824	(2,552)	2,101	1,986	(2,887)



Statement of Forecast Changes in Equity

Estimated Actual 30 June 2018	\$M	June 2019 Forecast	June 2020 Forecast	June 2021 Forecast	June 2022 Forecast	June 2023 Forecast	June 2024 Forecast
		\$M	\$M	\$M	\$M	\$M	\$M
	Opening Balance	5,097	7,048	8,872	6,320	8,421	1,0407
7,412	Crown Capital Funding						
-2,315	Net Surplus/(Deficit) for the Year	1,951	1,824	(2,552)	2,101	1,986	(2,887)
5,097	Public Equity as at 30 June	7,048	8,872	6,320	8,421	10,407	7,520

Statement of Forecast Financial Position

Estimated Actual		Y1	Y2	Y3	Y1	Y2	Y3
30 June 2018		June 2019 Forecast	June 2020 Forecast	June 2021 Forecast	June 2022 Forecast	June 2023 Forecast	June 2024 Forecast
\$M		\$M	\$M	\$M	\$M	\$M	\$M
Current Assets							
4808	Cash & Cash Equivalents	5,422	7,367	5,504	7,503	9,518	7,160
13	Debtors	16	20	15	16	22	17
350	Stock on Hand	325	650	335	341	683	352
0	Prepayment	0	0	0	0		
5171	Total Current Assets	5,763	8,037	5,854	7,860	10,223	7,529
Current Liabilities							
488	Creditors and other payables	431	450	450	453	473	473
2213	Revenue in Advance	388	463	635			
223	Employee entitlements	383	375	216	394	386	222
2924	Total Current Liabilities	1,202	1,288	1,301	847	859	695
2247	Working Capital	4,561	6,749	4,553	7,013	9,364	6,834
Non-current Assets							
2873	Property, Plant and Equipment	2,514	2,155	1,796	1,436	1,076	716
0	Prepayments						
2873	Total Non-current Assets	2,514	2,155	1,796	1,436	1,076	716
Non-current Liabilities							
23	Employee entitlements	27	32	29	28	33	30
23	Total Non-current Liabilities	27	32	29	28	33	30
5097	Net Assets	7,048	8,872	6,320	8,421	10,407	7,520
Public Equity							
5097	General Funds	7,048	8,872	6,320	8,421	10,407	7,520
5097	Total Public Equity	7,048	8,872	6,320	8,421	10,407	7,520

Statement Forecast of Cash Flows

Estimated Actual		Y1	Y2	Y3	Y1	Y2	Y3
		2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Cash Flows from Operating Activities							
Cash was provided from:							
61,354	Crown Appropriations	24,200	35,000	64,305	24,486	44,994	73,612
255	Interest income	250	250	250	250	250	250
221	Roll Sales	150	150	150	150	150	150
655	International Assistance	3,317	1,658	1,023	635		
Other Income							
62,485		27,917	37,058	65,728	25,521	45,394	74,012
Cash was applied to:							
29,135	Employees	10,121	12,026	30,779	11,241	13,141	33,623
33,152	Suppliers	17,122	23,027	36,753	12,221	30,177	42,687
62,287		27,243	35,053	67,532	23,462	43,318	76,310
198	Net cash flow from operating activities	674	2,005	(1,804)	2,059	2,076	(2,298)
Cash Flows from Investing Activities							
Cash was provided from:							
Disposal of Fixed Assets							
Cash was applied to:							
60	Purchase of Fixed Assets	60	60	60	60	60	60
(60)	Net cash flow from investing activities	(60)	(60)	(60)	(60)	(60)	(60)
138	Net increase/(decrease) in cash held	614	1,945	(1,864)	1,999	2,016	(2,358)
4,670	Cash at Start of Year	4,808	5,422	7,367	5,504	7,502	9,518
4,808	Cash held at the end of the year	5,422	7,367	5,504	7,502	9,518	7,160

Notes to and forming part of the Forecast Financial Statements

STATEMENT OF UNDERLYING ASSUMPTIONS

These Forecast Financial Statements have been prepared for the purpose of fulfilling the Commission's obligations under the Crown Entities Act 2004 to table a Statement of Performance Expectations before Parliament.

These Forecast Financial Statements have been prepared 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.

These Forecast Financial Statements are not audited.

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

The underlying assumption regarding revenue is that in the event that a by-election or referendum is required to be conducted, additional funding will be obtained.

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.

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 related legislation.

BASIS OF PREPARATION

Statement of compliance

These forecast financial statements have been prepared for the purpose of fulfilling the Commission's obligations under the Crown Entities Act 2004, which includes the requirements to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The Forecast Financial Statements are prepared in accordance with Tier 1 PBE IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. This includes New Zealand Reporting Standard No. 42: Prospective Financial Statements (FRS-42).

Measurement base

These forecast financial statements have been prepared on a 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%
Computer Software	33%
EMS System Software	10%

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 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.



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