



Electoral Commission
Te Kaitiaki Take Kōwhiri

Annual Report of the
Electoral Commission
Te Kaitiaki Take Kōwhiri
for the year ended
30 June 2005

Prepared and presented in accordance with
sections 150 - 157 of the Crown Entities Act 2004
for presentation to the House of Representatives
by the Minister of Justice.

Vision

***New Zealand's electoral framework and processes
are widely used, understood, trusted and valued.***

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ISSN: 1174-3727

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Electoral Commission
Te Kaitiaki Take Kōwhiri

31 October 2005

The Hon Mark Burton
Minister of Justice
Parliament Buildings
WELLINGTON

Dear Minister

We have the honour to provide to you this annual report of the Electoral Commission for the period 1 July 2004 to 30 June 2005. The report has been prepared and is presented in accordance with sections 150 - 157 of the Crown Entities Act 2004.

Yours sincerely

The Hon Anthony Ellis, CNZM, QC
President

Dr Helena Catt
Chief Executive

Part 1: Year in review

Vision

New Zealand's electoral framework and processes are widely used, understood, trusted and valued.

Achievement highlights

Organisational

- Business process reviews and improvements together with revenue generation have resulted in a forecast 18% saving in net operational expenditure with budget thus released for education and information activities.
- The Elections New Zealand website, re-launched in April 2005 following a commission funded and driven project, has established itself as a major and cost-effective education and information conduit with the site judged 3rd best government sector website in an audit conducted for the State Services Commission.

Registered political parties and logos

- The pre-election year saw increased activity with five new parties registered and two registrations cancelled, with 21 parties on the register at year-end. Five new and four substitute logos were registered.

Promotion of public awareness of electoral matters

- Tracking research showed that, three months before the election, most of us think MMP is easy to understand but less than a fifth of us can correctly recall both the importance of the party vote and the two elements of threshold. The level of understanding of the role of the party vote was at its typical low ebb for the time in the electoral cycle.
- The commission organised a significant hui in partnership with a Māori academic research group to identify existing research and help build a Māori electoral research agenda to inform policy and programme development to address low levels of Māori electoral participation.
- Major achievements to encourage electoral efficacy and participation in young people included close involvement in the ongoing review of the school social sciences curriculum essence statement, development of the Hands Up! teacher resource, and the announcement of a major awards programme for teaching using the election context.

- Journalism education and professional development was a focus, with more than 150 working journalists and 220 trainee journalists reached through seminars and lectures by commission staff, along with sponsorship of a journalists' guide to covering elections.
- The Women's Electoral Lobby New Zealand was awarded on Suffrage Day, 19 September 2004, a special Wallace Award for outstanding contribution to public understanding of electoral matters. Two other Wallace Awards were presented during the year for academic work.

Allocation of election broadcasting time and funds

- The allocation process for time and funds for election broadcast advertising took place between January and April 2005, with an increased amount made available for allocation totalling \$3,212,000 (inc GST). It was the first increase since the 1990 general election, and restored the total advertising buying power to about 1990 levels.

Provision of advice on electoral matters

- The commission welcomed legislative tidying of some technical aspects of the broadcasting regime.
- The commission noted that the year passed without a government announcement concerning a select committee-recommended fundamental review of electoral law and administration. The commission agrees that such a review is needed and it recommends that one is established under parliamentary oversight.
- A select committee inquiry into the 2004 local and district health board elections re-endorsed an earlier select committee recommendation that the commission be tasked and funded for promoting understanding and participation in both local and general elections. Several submitters, including the commission, suggested that the commission should be given this role.

Publicity in connection with the next general election

- The commission was grateful to secure additional funding of \$548,444 (ex GST) so that it could plan and deliver an election information campaign of similar budget in real terms to that delivered in 2002.
- At year-end the commission had completed its planning and sufficient preparation of materials to ensure it could deliver a public information campaign in the lead-up to a 2005 general election held any time after 1 July.

Organisational objectives

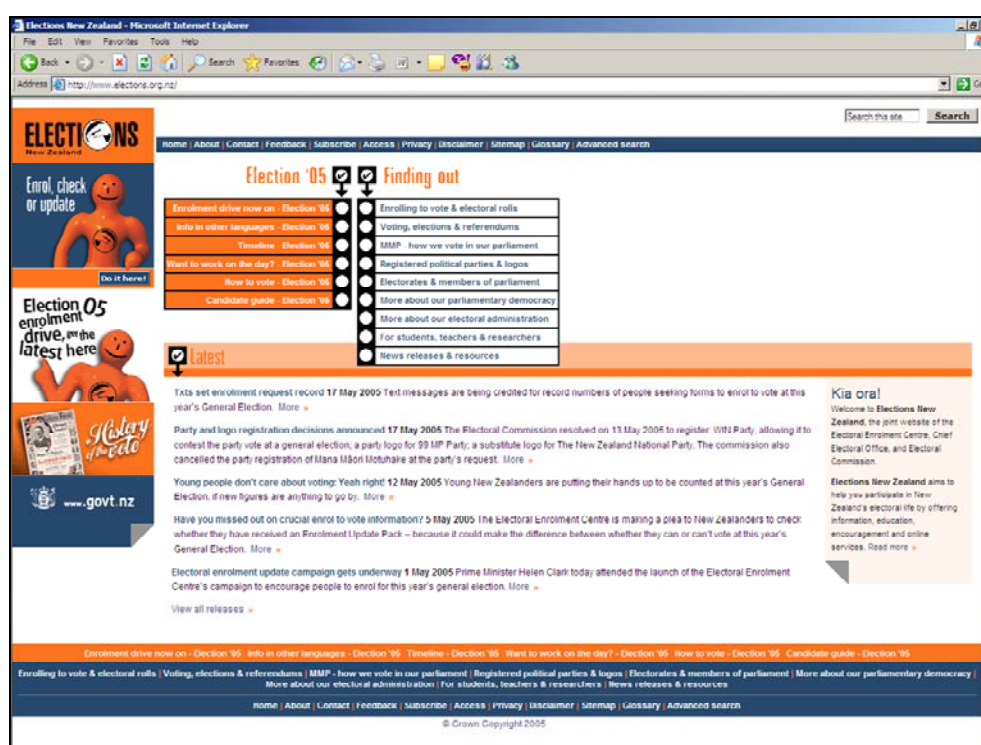
Resourcing

As a result of operating expenditure and work practice reviews, as well as securing sub-lease income, the commission ended 2004/5 in a position to forecast a net 18% saving in operational expenditure in 2005/6 compared with 2003/4. The savings, equivalent to 12.5% of government funding, have been prioritised to education and information outputs allowing a budget for this area in 2005/6 of \$227,200, more than three times greater than that of 2003/4.

Changes made included the outsourcing of financial management and information technology services, a restructuring of administrative staffing, and a shift from hardcopy to online publishing of guidance concerning the registered political party compliance regime and party logo registration.

Elections New Zealand website - www.elections.org.nz

The Elections New Zealand website, shared by all three electoral agencies, re-launched in April 2005. The website's vision is *"to enable, encourage and educate diverse audiences to meet their electoral obligations, learn about, and participate in New Zealand's electoral life. It will do this by providing a seamless experience to the user while recognising and supporting the differing business objectives and constraints of each contributing agency. The website will be designed to give prominence to the likely issues to be of most interest to users at each stage of the electoral cycle"*.



The new website was evaluated shortly after launch as the third best site of 57 evaluated in the New Zealand government sector for the State Services Commission, with second place commendations awarded for its cross-organisation integration, site usability, and inclusion of required government content. This result was particularly pleasing given the redesign and content loading was achieved with a budget of less than \$30,000.

The website redesign was project managed by the commission's communications manager with external design and build costs and content loading for all three agencies paid for or provided by the commission. The Electoral Enrolment Centre provided technical and additional project support associated with its hosting of the site. The commission also prepared a website governance and management policy statement which was refined and adopted by the three electoral agencies.

The commission discontinued, in favour of online publication, its hardcopy guides concerning party and logo registration, broadcasting, election expense returns and donations. The commission will provide print-outs of these materials to requestors without internet access. The Electoral Brief occasional newsletter, last published in October 2004, was similarly discontinued.

Sharing expertise and experience internationally

The commission welcomed a delegation of the Standing Committee on Procedure and House Affairs, House of Commons, Canadian Parliament in March 2005. The chief executive also met with the French ambassador to New Zealand, and she presented on New Zealand's electoral system to a meeting of Wellington-based foreign diplomats.

The chief executive attended sequential meetings of the BRIDGE (election management training) Advisory Group and the Pacific Island, Australia and New Zealand Electoral Administrators (PIANZEA) network held in Honiara, Solomon Islands, in May 2005.

The commission regularly responds to requests for information from other jurisdictions, international electoral non-governmental organisations, and overseas researchers, academics, and others.

Output 1: Application of the provisions of the Electoral Act 1993 relating to political parties

A Register of Political Parties (including party logos) is kept and made available for public inspection. Involved in this process is receiving and considering applications to register or to change registration details and responding to inquiries about the register and process of registration. Statutory requirements relating to political parties also cover disclosure of election expenses and donations.

A table summarising registration and compliance activity is presented on the facing page.

Summary of activity relating to political parties 2004/2005									
Party Name	Abbreviation	Registration Activity	Component parties at 30 Jun 05	Date party registered	Date of registration of current logo	Donations returns due 30-Apr-05 - dated received	Total of party donations >\$10,000	Publication date of party's membership rules and candidate selection rules held by Comm.	S71A statutory declarations due 30-Apr-05; to stand at election; have 500+ members - date received
ACT New Zealand	None		None	17-Feb-95	13-Jun-03	21-Apr-05	\$0	Apr-05	21-Apr-05
Aotearoa Legalise Cannabis Party	None		None	30-May-96	12-Dec-96	29-Apr-05	\$0	Dec-03	29-Apr-05
Christian Heritage New Zealand	Christian Heritage NZ	Substitute logo registered	None	6-Mar-95	24-Aug-04	28-Apr-04	\$0	Mar-05	13-Apr-05
Destiny New Zealand	Destiny NZ		None	13-Jun-03	13-Jun-03	27-Apr-05	\$0	Apr-03	27-Apr-05
Direct Democracy Party	None	Party and logo registered	None	20-Jun-05	20-Jun-05	N/A		undated	N/A
Libertarianz	None		None	11-Sep-96	9-Jul-99	29-Apr-05	\$0	Apr-98	2-May-05
Mana Maori Motuhake	Mana Motuhake	Party registration cancelled at party's request 13-May-05	None		N/A	2-May-05	\$0	N/A	Not rcvd
Mana Maori Movement	Mana Maori	Party registration cancelled at party's request 14-Apr-05	None		11-Sep-96	Not rcvd	\$0	N/A	N/A
Maori Party	None	Party and logo registered	None	9-Jul-04	15-Oct-04	29-Apr-05	\$20,000	Undated	29-Apr-05
New Zealand First Party	NZ First		None	20-Dec-94	13-Jun-96	2-May-05	\$10,000	Nov-98	29-Apr-05
New Zealand Labour Party	Labour Party		None	17-Feb-95	24-Jun-02	28-Apr-05	\$369,951	Dec-03	29-Apr-05
New Zealand Family Rights Protection Party	F R P P	Party and logo registered	None	7-Mar-05	14-Apr-05	N/A	N/A	Jan-05	13-May-05
One New Zealand Party	OneNZ Party		None	8-Oct-99	14-Jun-02	30-Apr-05	\$0	Undated	30-Apr-05
OUTDOOR RECREATION NZ	ORNZ		None	8-Mar-02	11-Jul-03	26-Apr-05	\$0	Aug-04	26-Apr-05
Progressive Party	Progressive	Name, Abbrev Name and logo changes registered	None	24-Jun-02	15-Apr-02	2-May-05	\$16,657	Nov-04	13-May-05
Te Tawharau	None		None	10-Aug-95	-	2-May-05	\$0	Undated	N/A
The Alliance	Alliance		New Labour Party	17-Mar-95	24-Jun-02	29-Apr-05	\$0	May-02	29-Apr-05
The Greens, The Green Party of Aotearoa/New Zealand	Green Party		None	17-Aug-95	12-Mar-99	28-Apr-05	\$108,281.95	Jun-03	19-Apr-05
The New Zealand Democratic Party Incorporated	Democrats		None	10-Aug-95	12-Feb-99	29-Apr-05	\$13,500	Undated	29-Apr-05
The New Zealand National Party	National Party	Substitute logo registered	None	2-Dec-94	13-May-05	28-Apr-05	\$330,077	May-03	28-Apr-05
		Substitute logo registered, party and additional component	United New Zealand Party / Future New Zealand, Outdoor Recreation New Zealand						
UNITED FUTURE NEW ZEALAND	UNITED FUTURE	Party and logo registered	None	13-Dec-01	14-Apr-05	27-Apr-05	\$48,000	Undated	28-Apr-05
99 MP Party	None	Party and logo registered	None	14-Apr-05	13-May-05	N/A	N/A	Undated	28-Apr-05
WIN Party	WIN	Party registered	None	13-May-05		N/A	N/A	Undated	N/A

There were 21 political parties registered at 30 June 2005, compared with 18 at 30 June 2004. During the year:

- five new parties were registered
- two parties had their registrations cancelled at their own request
- two parties changed their registered name
- three parties changed their abbreviated name
- one party advised that another registered party had become a component party

There were 37 political party logos registered at 30 June 2005, compared with 32 at 30 June 2004. During the year:

- four logos were registered in conjunction with the registration of new political parties
- one logo was registered by an unregistered political party
- four registered parties registered substitute logos

Donations disclosure

Section 214G of the Electoral Act 1993 requires the secretary of each registered party to provide the commission with a return by 30 April each year disclosing all donations received in the previous calendar year of more than \$10,000 in value.

The following parties were late in filing returns of party donations due on 30 April 2005:

- Mana Māori Motuhake, 2 May 2005
- Mana Māori Movement, not received, party registration later cancelled at party's request
- New Zealand First Party, 2 May 2005
- Te Tawharau, 2 May 2005

The commission did not make any reports to the New Zealand Police concerning disclosure of party donations for the 2004 calendar year.

Annual statutory declarations

Section 71A of the Electoral Act 1993 requires the secretary of each registered party to provide the commission with a statutory declaration by 30 April each year which must:

- (a) state that the party intends, at general elections,
 - (i) to submit a list of candidates under section 127; or
 - (ii) to have 1 or more constituency candidates stand for the party or for a related political party; or
 - (iii) both; and
- (b) state whether the party has at least 500 current financial members who are eligible to enrol as electors.

The following parties were late in filing declarations:

- Libertarianz, 2 May 2005
- New Zealand Family Rights Protection Party, 13 May 2005
- Progressive Party, 13 May 2005

The commission was grateful for the comprehensive responses provided by parties in response to a request to provide details of membership management policies and processes. The commission asked for this information to satisfy itself that party secretaries had the means to maintain accurate records on which to base declarations concerning membership numbers.

Documentation available for public inspection

The commission is required to make the following documentation available for public inspection at any time between 9am and 4pm on days that its office is open:

- The Register of Political Parties*
- Registered logos of political parties
- Registered parties' returns of party donations and auditors' reports*
- Registered parties' membership rules and candidate selection rules
- Registered parties' returns of election expenses and auditors' reports*
- Returns of constituency candidates' election expenses received by the commission from the Chief Electoral Officer.

The commission's offices were open for at least the required hours on 244 working days, and for shorter hours on two days. In addition, the records marked above with an * were provided in full or summary form on the Elections New Zealand website.



For further information relating to
Output 1 activities see
www.elections.org.nz/parties.html

Phoebe Gray from Taieri College, Mosgiel, designed this prize-winning garment "Vote" for a secondary students' competition marking 2004 as the 30th anniversary of the lowering of the voting age to 18 years.

Output 2: Promotion of public awareness of electoral matters

Between general election campaigns education on electoral matters serves a broad purpose of maintaining public awareness of, and interest in, New Zealand's democratic processes. The range of activities and materials utilised recognises the range of audiences that include parties, journalists, the education sector and politicians as well as voters and recognises the diversity of the electorate and their different levels of interest and prior understanding.

Public understanding of MMP - research

The commission continued its longitudinal research of public understanding of MMP with a quantitative telephone survey conducted in late May – early June. This research is an input to the design of the general election public information campaign (output 5) as well as activities in this output.

A majority of people thought that MMP was easy to understand, twice as many as thought it difficult.

The majority of people understood and remembered that the party vote is the one that determines the share of seats for each party in Parliament. Understanding on this point was the highest recorded in a pre-election poll since the first MMP election. Annual surveys on this question show an ebb and flow with the highest levels for correct answers immediately after an election and the lowest in the mid-year of the election cycle. This survey's results fit that pattern.

However, of concern were:

- The quarter of respondents who thought incorrectly that the electorate vote determines the share of seats each party has in parliament
- The three-quarters of respondents who could not correctly identify both parts of the threshold
- That less than a fifth of respondents who could correctly identify the party vote as the one that determines the share for each party in Parliament and both parts of the threshold.

Importance of the party vote

Just judging from what you know and have heard, which of those votes is more important in deciding the number of MPs each party will have in Parliament?'

	Nov 1995	Pre-election 1996	Post-election 1996	Oct 1997	Oct 1998	Pre-election 1999	Post-election 1999	Oct/Dec 2000	Oct/Nov 2001	Pre-election 2002	Post-election 2002	Oct 2003	Pre-election 2005
Party Votes decide shares of seats	31	70*	77*	55*	47*	58*	70*	58*	49*	55*	79*	50	62

*Includes correct response from additional probe.
Previous surveys have used slightly different questions over time.
Some of the increase in people giving the correct answer pre-election 2005 may be due to a change in question so that people no longer had to remember the name of the vote.

The survey also canvassed respondents' beliefs in their own political efficacy, their current intention to vote or not, and their views of which information sources and type of information they expected to be useful in making or confirming their voting choices.

A post-election survey of MMP understanding and respondents' belief in their own political efficacy, with a particular emphasis on the motivations of non-voters, will be conducted in conjunction with the Chief Electoral Office post election voter satisfaction survey.

The full survey report is available at www.elections.org.nz/mmp-understanding-pre05.html

Building a research base and academic linkages

Developing a Māori electoral research agenda – research hui

Electoral participation in New Zealand is falling, particularly among younger adults. Maori, which is a growing and younger population, is over-represented in non-participation. Māori are more likely to be among the non-enrolled. While just over half of enrolled Māori are on the Māori roll, turnout in the Māori seats at the 2002 General Election was 57.6% compared with 78.5% in general seats. The negative impact of Māori non-participation on the quality of New Zealand's democracy will compound quickly if things do not change.

The commission wants to help raise Māori participation in electoral matters. It wants particularly to influence those whose policies and programmes can encourage greater Maori electoral participation. Unfortunately, there does not appear to be a strong research base to help development of solutions.

In order to identify existing research and future research needs a hui was held in November 2004, organised by the Electoral Commission in association with Ngā Pae o te Māramatanga (National Institute of Research for Māori Development and Advancement) and the Faculty of Arts at the University of Auckland. An invited cross section of academics, central and local government politicians and officials, researchers and social marketers focused on establishing the research agenda, not on identifying possible solutions to increasing Māori electoral participation. Participants sought to draw out sources and summaries of what is known and existing data available for further analysis. They attempted to identify starting points, and analytical frameworks for both issue definition and research design and action. The hui has provided a solid starting point for future work by the commission and others.

The hui proceedings are available at www.elections.org.nz/maori-electoral-research-hui-nov04.html

New Zealand Election Study – research sponsorship

Electoral Commission funding and input to the research design of the New Zealand Election Study will ensure that the 2005 election research includes detailed questions about MMP and personal political efficacy, and that the study includes a statistically robust sample of Māori. Analysed alongside other study questions concerning voter behaviour and opinion, together with social and demographic characteristics, the sponsored research output has significant potential to inform the commission's policy and education work.

Currently hosted by the University of Auckland, The New Zealand Election Study has conducted research around every general election since 1990. More information is available at www.nzes.org

Rewarding and encouraging academic work

The following Wallace Awards were made. The awards are named after Sir John Wallace, chair of the Royal Commission into Electoral Reform and inaugural commission president.

- Best academic paper, monograph or book on New Zealand electoral matters (published in the period May 2003 – October 2004), eight entries.
 - ***New Zealand Votes - The General Election of 2002***. Edited by Jonathan Boston, Stephen Church, Stephen Levine, Elizabeth McLeay and Nigel S. Roberts. CD-Rom compiled by Claire Robinson. The judges noted that the collection gave readers immediate, lightly post-rationalised historical accounts ripe for new analysis, as well as useful records of key events such as *Corngate*. The book was an enjoyable, accessible, and evocative read. The CD-Rom of election related broadcast advertising and new coverage was a particularly welcome and rich resource that elevates the project's value and endurance significantly.
- Best dissertation or thesis, or portfolio by a tertiary student on New Zealand electoral matters (published in the period May 2003 – October 2004), four entries.
 - ***Political Parties in New Zealand: A Study of Ideological and Organisational Transformation***. Bryce Edwards. A thesis submitted in fulfilment of the requirements for the Degree of Doctor of Philosophy in Sociology, University of Canterbury. The judges noted that the lively, engaging, discursive style of this work maintained its energy throughout, integrating a wide range of literature, with clear analysis. The thesis had a strong electoral focus on the role of parties and the effectiveness of their representation of voters, and the judges believed it should be considered for preparation as a text.
 - [Highly Commended] ***Third degree, local elections special edition, Spring 2004***. Wintec journalism students, Hamilton. The judges commended this 16-page newspaper for its initiative, a strong team performance with interesting, contemporary content and design which took seriously its objective of reaching younger voters.

The commission also introduced Wallace Scholarships during the year in an attempt to influence and reward the design and conduct of electoral research of significant potential value to the commission's work programme. Two awards were made:

- **Kim Summersby**, enrolled in a Master of Arts (Maori Studies) programme at the University of Auckland. Supervised by Associate Professor Ann Sullivan. Her thesis is a study of Maori electoral representation in local government. It will focus mainly on the October 2004 local body elections and use case studies to consider the impact of FPP, STV, and the Maori consistencies in the Bay of Plenty Regional Council.
- **Shee-Jeong Park**, enrolled in doctorate in Politics at the University of Auckland. Supervised by Dr Raymond Miller and Professor Jack Vowles. Her thesis is entitled 'Political Participation of Asian New Zealanders' and will be based upon a survey of Asian New Zealanders that asks about different forms of participation, their views on politics in New Zealand, and measures of their personal electoral efficacy.

Presentations and conferences

The chief executive delivered 11 guest lectures to university courses, post-graduate and academic seminars, and to a Clerk of the House professional development workshop. The communications manager delivered guest lectures to journalism, marketing and communications under-graduate programmes, and to members of the Public Relations Institute of New Zealand in three major centres. Staff also presented to or met with representatives of national and local tertiary student bodies, and a political party's youth conference. All lecture invitations were accepted.

Encouraging electoral efficacy and participation in young people

The commission is keen to encourage more learning about and participation in democratic activity at community, regional and national levels, particularly through schools. Building general interest, skills and first-hand experience of active social participation by young people will increase their personal understanding, belief and confidence in electoral participation and thus make it easier to deliver MMP-specific voter education later, and to help entrench higher levels of understanding throughout the electoral cycle.

Influencing social sciences curriculum reform

At a strategic level, the chief executive and communications manager were closely involved in the ongoing drafting of a new Social Sciences curriculum essence statement and achievement objectives under the auspices of the Ministry of Education. The commission team has been encouraging and advising on the inclusion of concepts relating to citizenship and active social participation and these concepts' use as organising themes.

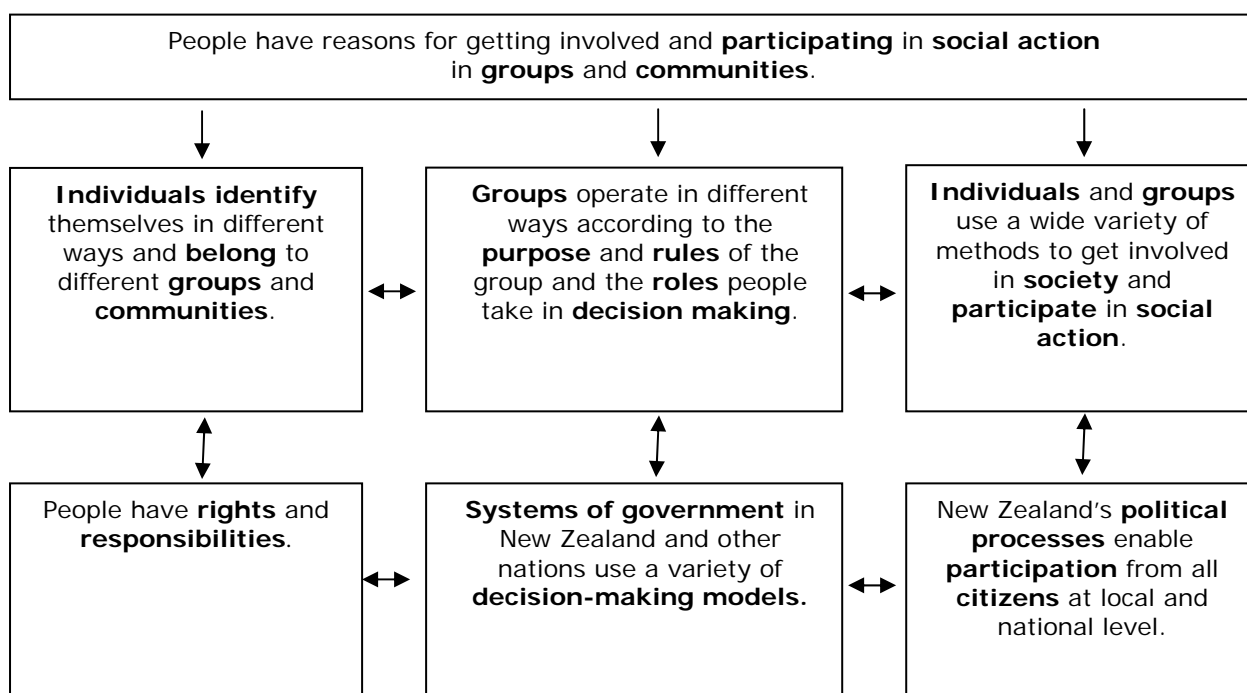
Hands Up! – teacher resource

Published online in October 2004, *Hands Up! - Exploring decision-making and action in our place* is a learning resource to help primary and intermediate-level students explore and experience identity, groups, decision-making, systems of government, and social action. It examines issues at the heart of citizenship and involvement in society and encourages students to become socially and ‘politically’ active in issues relevant to their own lives as students will learn more by ‘doing’ than just reading about political process.

The commission decided to develop this resource after realising there was little available to support the Social Organisation strand of the Social Studies Curriculum Statement for students at levels 1-4, and even less to help teachers relate the backdrop of a general election to these students' learning in a rich way.

This resource provides information for teachers in a ‘ready-to-use’ format. Its seven activities build sequentially and are linked to the concepts outlined in the conceptual overview. The activities are designed to encourage active participation in the classroom and a focus on the local community.

Hands Up! conceptual overview



Hands up! was written by teacher Bronwyn Wood, with the input of teachers Alison McRae, Carey O'Hagan, Jayne-Anne Young, Kaye Webber, and commission staff. It is available at www.elections.org.nz/hands-up.html

Wallace Awards for teaching using the election context

In June 2005, the commission launched these awards to rewarding excellence in teaching in the school sector using the context of the 2005 general election. Awards would be attainable on regional and national bases, and in a number of categories including units, single lessons, resource creation, use of existing resources, multi-class projects, non social science setting, student teacher delivery, and using te reo Maori. Judging would consider evidence of excellent teaching practice, relevant and imaginative use of the election context, and the extent to which political knowledge, interest and participation and the development of confident, informed and socially active students who participate responsibly in New Zealand society was encouraged. Entries were to close on 30 September.

Classroom election resource sponsorship - Newspapers in Education

The commission agreed to sponsor and worked with APN regional newspapers on the development and promotion of a Newspapers in Education general election resource to be made available in hard copy to schools in the relevant circulation areas, and as a web download at www.elections.org.nz/study/nie-election-study.html

Youth Law sponsorship – social action resource

The commission began work with Youth Law, a community law centre offering legal services for children and young people, on the development of a social action resource which would give readers advice and encouragement about active citizenship and engagement with electoral processes.

Secondary schools competition - 30th anniversary of the lowering of the voting age

The commission ran a competition for secondary school students to mark 2004 as the 30th anniversary of the lowering of the voting age from 20 to 18. Entrants were encouraged to develop and submit projects in any medium or based in any subject area which related in some way to young adults' participation in democratic affairs. Entries closed in October 2004.

Prizes were awarded to:

- **Phoebe Gray**, Taieri College, Mosgiel, for a stylised garment, “Vote”
- **Elizabeth Marvelly, Maia Ratana, Chloe Schnell**, Rotorua Girls High School, Rotorua, for composition and recording of a song encouraging young people to vote
- **Iain Byrne**, Hillcrest High School, Hamilton, for developing a website “VoteNZ”
- **Tim Brand & Ben Ching**, Timaru Boys High School, Timaru, for a survey of electoral issues and a mural representation of the results
- **Leighton Fraser, Wouter Coppieters, Daniel Gibbs, Shannon Keast**, Aotea College, Porirua, for a poster “Vote, *If you don't vote you can't complain*”
- **Ramon Olsen**, Okaihau College, Northland for an essay “A Youthful Spin on Participation”
- **Year 9 social studies class** (Helen Benson, teacher), Aotea College, Porirua, for a class project of posters to encourage young people to enrol and vote.

Journalism education and professional development

The news media are critical to the maintenance of a democracy, and particularly to assisting understanding of how its electoral system operates. The news media also have the opportunity to influence the general public's participation in the electoral process through the extent and nature of coverage they give to politics and electoral matters.

During the year the commission strengthened its association with journalism education through sponsoring a further edition of *Covering Elections – A Guide for Journalists* edited by Colin James and published by the New Zealand Journalists Training Organisation. The JTO ran workshops which included a commission presentation for a total of about 150 journalists at five *Election Reporting* professional development seminars in Auckland, Wellington and Christchurch and a two-day *Covering Māori Politics* hui, all in June 2005. The sponsorship has extended the guide's distribution to include the 800 journalist trainees expected to graduate over the period 2005-7. The commission also offers lectures to journalism classes with universal acceptance from the 11 journalism education providers offering the national diploma or a degree throughout New Zealand.

Commission staff also put considerable time into helping working journalists understand the electoral system.

A healthy democracy and a free, critical press are richly interdependent. ...However, an imbalance is appearing which threatens this symbiotic relationship and marks weakening social cohesion. New Zealand has begun to experience a trend of falling voter turnout that, if left unchecked, may reflect a society less concerned with upholding democratic traditions and where - as already happens in other democracies - more people do not vote at all than vote for the elected government.

Reasons for not enrolling and voting (or generally taking an interest or getting involved in politics in any way) often centre on:

- *Belief that 'my vote or voice will not make a difference'*
- *Feeling of inadequacy in dealing with an unfamiliar electoral process*
- *A pay-off from enrolling and voting thought to be neither large nor immediate*
- *Lack of understanding of, as well as a disinterest in, politics and learning about it*
- *No previous experience of participation*
- *Lack of people around them talking politics or participating.*

The Electoral Commission believes politicians and parties, electoral agencies, and the news media are all challenged by this growing disengagement. We need to find and meet the disaffected and non-engaged through gaining their attention, understanding and future participation. To succeed, this must occur in a context which lets them see politics' relevance to their daily lives, and the ability and ease with which they can participate and have an impact.

Extract from the Electoral Commission foreword to
Covering Elections – A Guide for Journalists,
Colin James, ed, NZ Journalists Training Organisation, 2005.

Women's Electoral Lobby New Zealand – Special Wallace Award

The commission marked Women's Suffrage Day, 19 September 2004, by making a special award recognising the Women's Electoral Lobby (WEL New Zealand), which had just wrapped up its national organisation after 27 years' operation. The award was presented at a Suffrage Day function hosted jointly by the commission and the Ministry of Women's Affairs to mark the 111th anniversary of women gaining the vote in New Zealand.

"WEL New Zealand has worked tirelessly to meet its aims of informing women about discrimination, pushing for relevant law change, and seeing people with attitudes and policies advancing the rights of women appointed or elected to public office," said the commission in presenting the award. The organisation was founded in 1975, International Women's Year, and within six months grew to have 2000 members across 18 branches.



**WEL New Zealand members who accepted the special Wallace Award on behalf of the organisation, from left, Elspeth Preddey, Marijke Robinson, Margaret Shields, and Louise Ryan. Absent – Barbara Mabbett.
Photo – The Dominion Post.**

Output 3: Allocation of election broadcasting time and funds in accordance with the provisions of the Broadcasting Act 1989

Most of the activity takes place once in each election cycle. In the year prior to an expected election, the commission follows a process of checking and consultation culminating in allocation of broadcast time and money amongst eligible political parties. The commission processes the payment of allocated money and supervises compliance with Part 6 of the Broadcasting Act 1989. In between these periods the commission responds to inquiries, maintains all systems in readiness for the next cycle and remains abreast of related debates and processes in other democracies

Allocation process

1. On 13 January 2005 the commission invited political parties by public notice and letter that if they considered themselves eligible for an allocation of broadcasting time or funds to give notice of this by 9 February 2005. Eligibility depended on giving this notice and on being a registered party when Parliament later dissolves or expires ahead of the election.
2. Twenty-three parties replied to the notice saying that they considered that they were eligible for consideration.
3. Television New Zealand and Radio New Zealand were asked by the commission to advise how much free time they would make available for broadcasting parties opening addresses and closing addresses.
4. Parties which had given the required notice were invited to make submissions by 10 March 2005 on how the commission should decide the allocations within the criteria outlined in the law.
5. Additional Commissioners were appointed to the commission for the allocation process on 14 March 2005 by the Governor-General on nomination of the House of Representatives. Hon David Caygill, representing the Government, and Mr John Isles, representing Opposition parties, were appointed for a 12-month term.
6. The Minister of Justice advised the commission on 18 March 2005 that \$3,212,000 (inc GST) would be made available for allocation. This amount was an increase of \$1,131,000 (inc GST) on the amount made available for the five elections held since 1990.
7. Hearings were held on 21 and 22 March 2005 for parties that wished to make oral submissions. At the time of the hearings copies of written submission were made available to the media and public. At this point three parties had indicated that they no longer considered themselves to be eligible and withdrew from the process.
8. The commission met on 22 March, 5 and 15 April 2005 to consider the criteria and the submissions.
9. Television New Zealand and Radio New Zealand had the opportunity to comment on the proposed allocation of free time before this was finalised.
10. The commission decided its preliminary allocation of both time and money on 14 April 2005. A letter was sent on 15 April 2005 to each political party that

received an allocation and the allocation decision was made public on 18 April 2005.

11. The commission will meet immediately after nomination day to consider any adjustments necessary and will then notify parties, the media and the public of any changes made.

Preliminary allocation - 15 April 2005

	# of parties in group	\$ (GST inc)	Minutes		Main (not only) criteria distinguishing a group from the group below			
			Open	Close	Current # of MPs	2002 vote	Opinion Polls	Membership (if given)
Available for allocation		3,212,000	72	30				
Labour Party	1	1,100,000	12	6	✓	✓	✓	✓
National Party	1	900,000	12	6	✓	✓	✓	✓
ACT, Green Party, NZ First, UNITED FUTURE	4	200,000	7	3	✓	✓	✓	
Māori Party	1	125,000	4	3			✓	✓
Progressive	1	75,000	4	3	✓			
Alliance, Christian Heritage NZ, Destiny NZ, Libertarianz	4	20,000	1	0			✓	
99 MP Party, Beneficiaries Party, Democrats, Equal Values Party, National Front, <i>New Zealand</i> F.R.P.P., Patriot Party, Republic Aotearoa New Zealand Party, The Republic of New Zealand	9	10,000	1	0				
(of these only Democrats, <i>New Zealand</i> F.R.P.P and 99 MP Party are currently registered – at 14 April 2005)								

The full decision and further detail of the election broadcasting regime is available at www.elections.org.nz/broadcaster.html

Output 4: Provision of advice on electoral matters

Advice to the Minister of Justice and Parliament on a range of electoral matters primarily takes the form of providing reports to the Justice and Electoral Committee; participating in the Officials Committee on Electoral Matters; and responding to Ministerial and Parliamentary questions.

Electoral law review

The commission welcomed the passage of the Broadcasting Amendment Act 2004 which tidied up some technical aspects of the broadcasting regime relating to general elections.

The commission notes that the year passed without a government announcement concerning the fundamental review of electoral law and administration recommended by the Justice and Electoral Committee following its Inquiry into the 2002 General Election that was presented to Parliament on 11 March 2004. The commission agrees that such a review is needed and it recommends that one is established under parliamentary oversight.

Local and district health board elections 2004

Local Government New Zealand convened an Election Co-ordinating Committee and a Communications Co-ordination Group in the lead-up to the local and district health board elections held in October 2004. The chief executive and communications manager were observers to these meetings.

From March, the commission acted as an advisor to the Justice and Electoral Committee for its inquiry into the 2004 local authority elections which was still underway in June. The commission has been involved particularly in examination of information and education needs associated with local authority elections, including civics education, and exploration of the idea raised by several submitters to the inquiry of the commission taking on an information and education role in respect of local authority elections. In its own submission to the Inquiry, the commission recommended that the committee re-endorse a recommendation made in the committee's Inquiry into the 1999 General Election – *“that the commission have its role and funding expanded so that it is able to effectively promote election [participation] and electoral system understanding at general and local elections”*.

Output 5: Publicity in connection with the next general election

Voters should have the information necessary in order to cast an effective vote at a general election. Whilst much of the education around electoral matters will happen between elections, there is a concentrated information campaign immediately preceding each election. In planning the campaign the needs of different audiences are taken into consideration. At all times there is a contingency plan for an information campaign should an early election be called.

Resourcing

The commission was grateful to secure additional funding of \$548,444 (ex GST) in Budget 2005 which meant the commission could plan to deliver an election information campaign of a similar budget in real terms to that delivered in 2002. When taken with existing baseline provision of \$500,000 (ex GST) and a commission contribution of \$119,000 (ex GST) from reserves, the new funding meant an available budget of \$1,167,444 (ex GST).

Campaign planning and preparation

At year end the commission had completed its planning and sufficient preparation of materials to ensure it could deliver a public information campaign in the lead-up to a 2005 general election held any time after 1 July.

Strategic planning was completed on the basis that the programme had to reach all voters, but with extra effort applied to reach young adults, Māori and Pacific peoples who research shows have lower levels of understanding of MMP. We also know from academic research that personal political efficacy – the extent to which we believe we understand politics, believe politics is relevant to our lives, and that we can make a difference through our participation – is a key determinant in the receipt and understanding of electoral messages.

Key audience outtakes defined for the campaign are: voting is easy; correct understanding of the roles of the party and electorate votes; parliamentary proportionality is based on the party vote for parties crossing threshold; my vote can make a difference. Secondary outtakes are: understanding of the three occasions when the electorate contest may have wider ramifications - threshold, overhang, independent winner.

Key elements of the programme include: an insert to the EasyVote pack that arrives in voters' mail boxes about a week before the election, and three-week intensive advertising campaign on television, radio, in newspapers and online – with particular emphasis on reaching non-English speaking voters through ethnic media and network. The advertising approach will share the same orange “Elector” character and approach as used by the Electoral Enrolment Centre and the Chief Electoral Office. The advertising will be complemented by public relations activities, including media relations, journalism professional development, presentations to community groups, and the commission's broader education programme outlined elsewhere in the report.

The commission is disappointed that the other electoral agencies did not agree to a combined approach to reaching non-English speaking audiences and that external constraints prevent it including in EasyVote packs a full multi-lingual version of *Two Ticks? Too Easy!* explaining MMP.

The Electoral Commission

Statutory functions, powers and obligations

The passage in December 2004 of the Crown Entities Act 2004 and concurrent amendments to the Public Finance Act 1989 and the State Sector Act 1989 established the commission as an Independent Crown Entity, changed removal provisions for the president and chief executive, changed some reporting and financial obligation, and introduced oversight of the State Services Commissioner - particularly on matters relating to standards of integrity and conduct.

Under section 7 of the Electoral Act 1993 the Electoral Commission must act independently in performing its statutory functions and duties, and exercising its statutory powers, under the Electoral Act 1993 and any other Act that expressly provides for the functions, duties, or powers of the Electoral Commission (other than the Crown Entities Act 2004).

No legislative changes were made to the commission's statutory functions in 2003/2004. Section 5 of the Electoral Act 1993 states the commission's principal functions as follows:

- (a) to carry out such duties in relation to the registration of political parties and political party logos as are prescribed by Part 4:
- (b) to supervise political parties' compliance with the financial disclosure requirements of this Act:
- (ba) to carry out such duties in relation to Parliamentary election programmes as are prescribed by Part 6 of the Broadcasting Act 1989:
- (c) to supervise political parties' compliance with the requirements of this Act relating to the filing of returns of election expenses:
- (d) to promote public awareness of electoral matters by means of the conduct of education and information programmes or by other means:
- (e) to consider and report to the Minister or to the House of Representatives on electoral matters referred to the Electoral Commission by the Minister or the House of Representatives.

The commission's statement of specific powers under section 6 of the Electoral Act 1993 were augmented by sections 16-18 of the Crown Entities Act 2004 to provide that the commission may do anything that a natural person can do for the purposes of performing its functions.

There are no disclosures to be made in accordance with the Crown Entities Act 2004 s.151 in respect of (f) ministerial directions, and (i) enforcement of natural person transactions.

Members and employees

Appointments and departures

The President of the Electoral Commission, the Hon Anthony Ellis, CNZM, QC was reappointed on 2 May 2005 for a three year term.

The Hon David Caygill and Mr John Isles were appointed on 14 March 2005 for a 12-month term as Commissioners representing the Government and Opposition parties, respectively, for the purposes of the commission's jurisdiction under Part 6 of the Broadcasting Act 1989.

The commission records its sincere thanks and best wishes to Mrs Evelyn Dawson, Secretary, and to Mr John Dawson, Administration Manager, who both left the commission in February 2005.

The commission welcomed Mrs Lorraine Biggs, Office Manager, in March 2005.

Members at 30 June 2005

	Remuneration paid in 2004/05
The Hon Anthony Ellis, CNZM, QC (President)	\$ 0
Dr Helena Catt (Chief Executive)	\$ 130,000
Ms Belinda Clark (Secretary for Justice)	ex officio
Chief Judge Joe Williams (Chief Judge of the Māori Land Court)	ex officio

From 14 March 2005 - Members appointed for the purposes of the commission's jurisdiction under Part 6 of the Broadcasting Act 1989

The Hon David Caygill, representing the Government	\$ 1,030
Mr John Isles, representing Opposition parties	\$ 0

There is no disclosure to be made in accordance with the Crown Entities Act 2004 s.151 (j) regarding permission granted to members to act despite having an interest.

Employees at 30 June 2005

Senior Legal Adviser	Mr Geoff Barnett
Communications Manager	Mr Peter Northcote
Office Manager	Mrs Lorraine Biggs

Number of employees with remuneration valued \$100,000+ in 2004/05	0
Total value of cessation benefits paid to employees in 2004/05	\$ 66,568
Number of employees paid cessation benefits in 2004/05	2

Good employer information

The commission has and operates human resources policies consistent with the good employer obligations of s.56 of the State Sector Act 1998. In addition to employment procedures consistent with legislation, the commission has active policies and practices for occupational safety and health, flexible working arrangements, and an Employee Assistance Programme.

Part 2: Statement of service performance and financial statements

Introduction

The financial statements for the year ended 30 June 2005 follow.

For the year under review appropriations were provided by Parliament to meet the operating costs of the commission.

Overall the commission had a surplus of income over expenditure for the year of \$3,052,289 (excluding GST). This bulk of this sum related to funds received as the Broadcasting Grant and held for allocation to registered political parties for election programmes (advertising).

In the 2005/2006 financial year the Electoral commission has budgeted for total operating expenditure of not more than \$945,676 (excluding GST). These expenditures will be funded by payments on behalf of the Crown from Vote: Justice and by using all of the commission's cash reserves.

Statement of Responsibility

In the financial year ended on 30 June 2005 the Electoral Commission was responsible for:

- the preparation of the annual statement of service performance and the financial statements, and for the judgements used herein;
- establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the commission's financial reporting.

In the opinion of the signatories, the annual statements of service performance and the financial statements fairly reflect the financial position and operations of the Electoral Commission for the financial year.



The Hon Anthony Ellis, CNZM, QC
President



Dr Helena Catt
Chief Executive

27 October 2005

Electoral Commission
Statement of Service Performance
for the year ended 30 June 2005

Organisational Objectives

2004/05 objectives	Achievement against objectives
<p>I. Review our business processes in light of changing contexts. Ensuring that our processes adhere to the Guiding Principles of Electoral Administration and have practical monitoring components. Incorporating greater utilisation of electronic media.</p>	<ul style="list-style-type: none"> • Business process reviews and improvements completed or underway for: administrative services; handling phone, written and e-mail inquiries; maintaining the register of political parties; broadcast allocation; media monitoring. • Business continuity planning, equipping, and staff training in civil emergency procedures well underway. • Elections New Zealand website re-launched.
<p>II. Consolidate our position as the recognised authority for education on electoral matters and information about the electoral system. To be the first port of call for all those seeking information and data about the workings of MMP, the wider electoral context and related debates and practices overseas.</p>	<ul style="list-style-type: none"> • Elections New Zealand website re-launched. Ranked 3rd best site out of 56 government sector sites reviewed for SSC.
<p>III. Achieve certainty of the funding stream given that by the end of this financial year the commission's reserves will have been spent.</p>	<ul style="list-style-type: none"> • Ongoing progress achieved.

Public Inquiries

	2004/05	2003/04 (Previous year)	2001 /02 (Previous pre-election year)	Quarter 2004/05			
				1st	2nd	3rd	4th
number by phone or in person	393	554	2572	84	66	88	135
number by email or letter	336	607	1286	85	68	84	94
total	729	1161	3858	169	134	172	229
Phone requests for EEC or CEO matters	198			66	67	57	38
as % of all inquiries	33.5			44.0	50.4	39.3	22.0

Output 1: Application of the provisions of the Electoral Act 1993 relating to political parties

A Register of Political Parties (including party logos) is kept and made available for public inspection. Involved in this process is receiving and considering applications to register or to change registration details and responding to inquiries about the register and process of registration. Statutory requirements relating to political parties also cover disclosure of election expenses and donations.

2004/05 objectives	Achievement against objectives
I. Continue to respond to requests and to process applications in a professional manner.	<ul style="list-style-type: none"> See the following table, Registration activity, which records the numbers of registered parties and register logos, and transactions completed in accordance with statutory and internal process requirements. Processes, guidance, and forms were reviewed and revised for registration of parties and of logos, donations disclosure and annual statutory declarations, and published to the Elections New Zealand website The guidance revisions also addressed a Justice and Electoral Committee recommendation from its Inquiry into the 2002 General Election for the commission to attempt to simplify guidance on election expense and advertising rules.

Registration activity

	2004/05	2003/04 (Previous year)	2001 /02 (Previous pre- election year)	1st	Quarter 2004/05 2nd	3rd	4th
Output 1: Political parties							
<i>Registration of parties</i>							
number of parties on Register at end of period	21	18	22	20	20	21	21
number of new applications for registration of party received	6	1	3			2	4
number of parties registered by commission	5	1	4	2		1	2
number of registrations cancelled by commission	2	1	5				2
<i>Registration of logos</i>							
number of registered logos at end of period	37	32	38	32	33	33	37
number of applications for registration of new logo received	8	1	9			4	4
number of new logos registered by commission	5		9		1		4
number of applications for registration of substitute logo received	4	1		1		1	2
number of substitute logos registered by commission	4	2		2			2
number of logo registrations cancelled by commission							

Output 2: Promotion of public awareness of electoral matters

Between general election campaigns education on electoral matters serves a broad purpose of maintaining public awareness of, and interest in, New Zealand's democratic processes. The range of activities and materials utilised recognises the range of audiences that include parties, journalists, the education sector and politicians as well as voters and recognises the diversity of the electorate and their different levels of interest and prior understanding.

2004/05 objectives	Achievement against objectives
I. Start to make an impact on levels of use, understanding, trust and value of the electoral framework and processes amongst those who currently have the lowest levels. In particular to make an impact amongst Māori, Pacific peoples and youth.	<ul style="list-style-type: none"> Initiated and organised (in conjunction with a partner organisation) a hui to develop a Māori electoral research agenda. Negotiated content and sponsorship of the New Zealand Election Study in order to build baseline research.

II. Understand our audiences and develop programmes to meet their needs.	<ul style="list-style-type: none"> • Conducted and communicated tracking research of public understanding of MMP, political efficacy and decision making influences.
III. Deliver resources and programmes that encourage and enable civic, particularly electoral, participation.	<ul style="list-style-type: none"> • Participated in and influenced social sciences curriculum reform. • Developed and promoted Hands Up! – primary teacher resource. • Developed and announced Wallace Awards for teaching using the election context. • Negotiated sponsorship and content of APN regional newspapers Newspapers in Education resource. • Established agreement and developed concepts with Youth Law for a social action resource for young adults. • Judged and awarded prizes for a secondary schools competition marking the 30th anniversary of the lowering of the voting age. • Presented the Women’s Electoral Lobby New Zealand with a special Wallace Award for its contribution to public understanding of electoral matters.
IV. Promote and facilitate study, discussion, education and communication on New Zealand electoral matters by academics, journalists and other commentators.	<ul style="list-style-type: none"> • Promoted and awarded 3 Wallace Awards and 2 Wallace Scholarships to reward and influence academic research of electoral matters. • Delivered 15 academic lectures to politics, government, and journalism tertiary education programmes, and to 2 public relations practitioners’ seminars. • Negotiated sponsorship of a journalists’ guide to election coverage and lectured to 6 journalists’ professional development seminars and 1 journalism educators’ conference.
V. Build and maintain a tool that, over time, identifies, describes and measures audiences’ electoral participation.	<ul style="list-style-type: none"> • Negotiated content and sponsorship of the New Zealand Election Study in order to build baseline research. • Further scoping of this prospective tool will be done post-election once all research is available.

Output 3: Allocation of election broadcasting time and funds in accordance with the provisions of the Broadcasting Act 1989

Most of the activity takes place once in each election cycle. In the year prior to an expected election, the commission follows a process of checking and consultation culminating in allocation of broadcast time and money amongst eligible political parties. The commission processes the payment of allocated money and supervises compliance with Part 6 of the Broadcasting Act 1989. In between these periods the commission responds to inquiries, maintains all systems in readiness for the next cycle and remains abreast of related debates and processes in other democracies.

2004/05 objectives	Achievement against objectives
<p>I. Continue to carry out all aspects of the administration of these allocations in accordance with the Act and in a professional manner.</p>	<ul style="list-style-type: none"> • Presentation and workshop at annual conference of the Association of Community Access Broadcasters (ACAB), held at Invercargill in October 2004. • Business processes and user guidance reviewed and revised and published to the Elections New Zealand website. Some business processes were simplified from previous elections to reflect minor improvements to the broadcasting regime enacted by the Broadcasting Amendment Act 2004. • The ACAB liaison and guidance revisions addressed a Justice and Electoral Committee recommendation from its Inquiry into the 2002 General Election for the commission to address specifically the position of community access broadcasters under the broadcasting regime. • Liaison and protocols established with the Broadcasting Standards Authority and the New Zealand Police in respect of the broadcasting regime and the 2005 general election. • Interim allocation for the 2005 general election was made on 15 April 2005.

Output 4: Provision of advice on electoral matters – statement of service performance

Advice to the Minister of Justice and Parliament on a range of electoral matters primarily takes the form of providing reports to the Justice and Electoral Committee; participating in the Officials Committee on Electoral Matters; and responding to Ministerial and Parliamentary questions.

2004/05 objectives	Achievement against objectives
I. Continue to respond in a professional manner.	• Achieved
II. Maintain a capacity to respond to questions on all election matters, including practice and debate overseas.	• Achieved
III. Review the regular channels of communication with the Minister, the Ministry and Select Committees.	• Deferred until bedding-in of revised Ministry of Justice structure, and appointment of Minister and select committee post-election.

Output 4 - Advice to Minister and House	2004/ 05	2003 /04	2001 /02	1st	Quarter 2nd	3rd	4th
total questions and reports	9	20	33	5	2	1	1

Output 5: Publicity in connection with the next general election – statement of service performance

Voters should have the information necessary in order to cast an effective vote at a general election. Whilst much of the education around electoral matters will happen between elections, there is a concentrated information campaign immediately preceding each election. In planning the campaign the needs of different audiences are taken into consideration. At all times there is a contingency plan for an information campaign should an early election be called.

2004/05 objectives	Achievement against objectives
I. Plan an election information campaign that delivers credibly and cost effectively given available funds are half that spent on the previous campaign and real costs of advertising are escalating.	<ul style="list-style-type: none"> • At year end the commission had completed its planning and sufficient preparation of materials to ensure it could deliver a public information campaign in the lead-up to a 2005 general election held any time after 1 July. • The commission secured additional funding of \$548,444 (ex GST) in Budget 2005 which meant the commission could plan to deliver an election information campaign of a similar budget in real terms to that delivered in 2002.

II. Ensure cohesion with activities in output 2 so that the broader education campaign supplements the specific information material for the general election.	<ul style="list-style-type: none"> Relationships between Output 5 and 2 activities were considered in planning.
III. Determine the ways in which we can measure how many people were able to 'cast an effective vote'.	<ul style="list-style-type: none"> Negotiated content and sponsorship of the New Zealand Election Study in order to build baseline research. Further scoping of this activity will be done post-election once all research is available.

Electoral Commission

Statement of Accounting Policies

for the year ended 30 June 2005

Reporting entity

These are the financial statements of the Electoral Commission, a Crown entity in terms of the Public Finance Act 1989.

These financial statements have been prepared in accordance with section 41 of the Public Finance Act 1989.

Measurement system

The 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:

Budget figures

The budget figures are those approved by the commission at the beginning of the financial year. The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the commission for the preparation of the financial statements.

Revenue

The Electoral Commission derives revenue through the provision of outputs to the Crown, from cost recovery for the provision of services to third parties and from investment income. Such revenue is recognised when earned and is reported in the financial period to which it relates.

Fixed assets

All fixed assets are recorded at historical cost.

Depreciation

Fixed assets are depreciated at rates that will write off the cost of the assets to their estimated residual value over their useful life. The useful lives and associated depreciation rates used in the preparation of these statements are as follows:

Furniture and fittings	5 years	20% straight line
Computer equipment	3 years	33% straight line
Office equipment	5 years	20% straight line

Employee entitlements

Provision is made in respect of the Electoral Commission's liability for annual leave. Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Goods and Services Tax

The financial statements are prepared on a GST exclusive basis, except accounts receivable and accounts payable which are prepared on a GST inclusive basis.

Taxation

The Electoral Commission is a public authority in terms of the Income Tax Act 1994 and consequently is exempt from income tax.

Operating leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the period in which they are incurred.

Financial Instruments

The Electoral Commission is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

Changes in accounting policy

There have been no changes in accounting policies since the date of the last audited financial statements. The policies have been applied on bases consistent with other years.

Electoral Commission
Statement of Financial Performance
for the year ended 30 June 2005

2005 Budget \$		Note	2005 Actual \$	2004 Actual \$
Income				
734,000	Government Grant	1	734,222	734,000
o	Broadcasting Grant	2	3,212,000	0
o	Other Income		28,127	17,436
o	Gain on Sale of Assets		0	0
12,000	Interest		33,758	22,247
746,000	Total Income		4,008,107	773,683
Expenditure				
428,608	Operating Costs		401,613	138,367
7,100	Audit Fee		11,500	6,967
17,389	Depreciation	4	10,150	17,538
o	Loss on Sale of Assets		4,642	0
66,446	Rent		66,446	67,545
7,800	Leasing		6,294	7,530
o	Broadcasting Allocation	2	0	0
o	Refund of broadcasting allocation		0	0
418,333	Personnel	9	455,173	451,027
945,676	Total Expenditure		955,818	688,974
(199,676)	Net Surplus (Deficit) for Year		3,052,289	84,709

The accompanying accounting policies and notes form an integral part of these financial statements.

Electoral Commission
Statement of Movements in Equity
for the year ended 30 June 2005

2005 Budget		Note	2005 Actual	2004 Actual
\$			\$	\$
314,208	Crown Equity at start of financial year		314,208	229,499
(199,676)	Operating surplus (deficit) for the year		3,052,289	84,709
(199,676)	Total recognised revenues and expenses for the year		3,052,289	84,709
114,532	Crown Equity at the end of the financial year		3,366,497	314,208

Electoral Commission
Statement of Financial Position
as at 30 June 2005

2005 Budget		Note	2005 Actual	2004 Actual
\$			\$	\$
Current Assets				
190,597	Cash at Bank	3	3,492,709	395,717
o	Sundry Debtors		7,165	5,056
9,175	GST Receivable		30,505	3,549
199,772				
			3,530,379	404,322
8,436	FIXED ASSETS	4	29,567	12,371
208,208	TOTAL ASSETS		3,559,946	416,693
Current Liabilities				
	Accounts Payable &			
93,676	Accruals	5	193,449	102,485
114,532	CROWN EQUITY		3,366,497	314,208
208,208	Total Funds Employed		3,559,946	416,693

The accompanying accounting policies and notes form an integral part of these financial statements.

2005 Budget \$	Note	2005 Actual \$	2004 Actual \$
Cash flows from operating activities			
	Cash was provided from:		
734,000	Government Grant and other sources	734,222	734,000
o	Broadcasting Funding	3,212,000	o
o	Revenues from services	30,805	14,579
12,000	Interest Received	31,338	20,729
o	Net GST	(17,509)	5,626
746,000		3,990,856	774,934
	Cash was applied to:		
414,333	Payments to Members of the Commission and Employees	453,165	479,466
491,081	Payments to Suppliers	408,710	236,760
o	Allocation of Broadcast Funding	o	o
905,414		861,875	716,226
(159,414)	Net cash flows from operating activities	3,128,981	58,708
Cash flows from investing activities			
1,000	Sale of Fixed Assets	530	o
	Cash was applied to:		
32,000	Purchase of Fixed Assets	32,519	6,763
(31,000)		(31,989)	(6,763)
(190,414)	Net increase in cash held	3,096,992	51,945
385,011	<i>plus</i> Opening cash balance	395,717	343,772
194,597	Closing cash balance	3,492,709	395,717

The accompanying accounting policies and notes form an integral part of these financial statements.

Electoral Commission
Notes to the Financial Statements
for the year ended 30 June 2005

1. Government Grant

Funding was received quarterly from the Ministry of Justice.

2. Broadcasting Grant and Allocations

Prior to a general election, the commission is required to allocate election broadcasting time and funds to political parties.

As at 30 June 2005, \$66,669 of funds allocated for the 1996, 1999 and 2002 general elections remained undrawn by parties. The commission has also received an allocation of \$3,212,000 which relates to the 2005 general election and has yet to be drawn by parties (refer to Note 5).

3. Cash at Bank and On Hand

	2005	2004
	\$	\$
Cheque Account	291,655	14,018
Term Deposits	3,200,739	381,639
Petty Cash	315	60
	<hr/>	<hr/>
Total	<u>3,492,709</u>	<u>395,717</u>

4. Fixed Assets

	Cost	2005 Accumulated Depreciation	Net Book Value	Depreciation Expense
	\$	\$	\$	\$
Computer equipment	30,249	7,494	22,755	7,207
Furniture and fittings	16,044	11,595	4,449	2,210
Office equipment	7,160	4,797	2,363	733
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>53,453</u>	<u>23,886</u>	<u>29,567</u>	<u>10,150</u>
	Cost	2004 Accumulated Depreciation	Net Book Value	Depreciation Expense
	\$	\$	\$	\$
Computer equipment	19,652	17,035	2,617	13,434
Furniture and fittings	16,044	9,386	6,658	2,888
Office equipment	7,160	4,064	3,096	1,216
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>42,856</u>	<u>30,485</u>	<u>12,371</u>	<u>17,538</u>

5. Accounts Payable and Accruals

	2005	2004
	\$	\$
Trade Creditors	99,179	9,909
Accruals	17,500	13,768
Undrawn Broadcasting Allocation	66,669	66,669
Provision for employee entitlements	10,101	12,139
	<u>193,449</u>	<u>102,485</u>

6. Reconciliation of the Net Surplus from Operations with the Net Cash Flows from Operating Activities

	2005	2004
	\$	\$
Reported Surplus (Deficit)	3,052,289	84,709
Add non-cash items:		
Depreciation	10,150	17,538
Loss on Sale of Assets	4,642	0
GST write-back	0	4,177
	<u>14,792</u>	<u>21,715</u>
Total non-cash items		
Add/(Less) movements in working capital items:		
Decrease / (Increase) in accounts receivable	312	(2,856)
Increase / (Decrease) in operating accounts payable	89,270	(22,580)
Increase / (Decrease) in provision for employee entitlements	(2,038)	(22,212)
Decrease / (Increase) in provision for interest accrual	(2,420)	(1,517)
Decrease / (Increase) in GST Receivable	(26,956)	1,449
Increase (Decrease) in other accruals	<u>3,732</u>	<u>0</u>
Working Capital Movements (Net)	<u>61,900</u>	<u>(47,716)</u>
Net Cash Flow from Operating Activities	<u>3,128,981</u>	<u>58,708</u>

7. Operating Lease Commitments

	2005	2004
	\$	\$
Not later than one year	72,740	72,380
Later than one year and not later than two years	22,905	72,380
Later than two years and not later than three years	5,109	22,546

The lease for premises occupied by the Electoral Commission was renewed with effect from 7 October 2003 for a term of three years.

8. Contingent Liabilities

There were no contingent liabilities at balance date (2004 Nil).

9. Remuneration

	2005	2004
	\$	\$
Remuneration paid to members of the commission	130,674	152,935
Remuneration paid to employees of the commission	324,366	295,539
ACC and other levies	<u>133</u>	<u>2,553</u>
Total	<u>455,173</u>	<u>451,027</u>

10. Related Party Transactions

The Electoral Commission is a wholly owned entity of the Crown. Revenue derived from the Crown is the commission's main source of revenue as set out in the Statement of Financial Performance.

11. Financial Instruments*a) Credit Risk*

Financial Instruments that potentially subject the commission to credit risk consist of Bank Balances.

b) Fair Values

All Financial Instruments are recognised in the Statements of Financial Position and are stated at fair values.

c) Currency Risk and Interest Rate Risk

The commission has no exposure to currency risk and no significant interest rate exposure.



Audit New Zealand

AUDIT REPORT

TO THE READERS OF ELECTORAL COMMISSION'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

The Auditor-General is the auditor of the Electoral Commission. The Auditor-General has appointed me, J R Smaill, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Electoral Commission, on his behalf, for the year ended 30 June 2005.

Unqualified Opinion

In our opinion the financial statements of the Electoral Commission on pages 27 to 40:

- ▲ comply with generally accepted accounting practice in New Zealand; and
- ▲ fairly reflect:
 - the Electoral Commission's financial position as at 30 June 2005;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 27 October 2005, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Commissioners and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- ▲ determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- ▲ verifying samples of transactions and account balances;
- ▲ performing analyses to identify anomalies in the reported data;
- ▲ reviewing significant estimates and judgements made by the Commissioners;
- ▲ confirming year-end balances;
- ▲ determining whether accounting policies are appropriate and consistently applied; and
- ▲ determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Commissioners and the Auditor

The Commissioners are responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the Electoral Commission as at 30 June 2005. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. The Commissioner's responsibilities arise from the Public Finance Act 1989 and Electoral Act 1993.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Public Finance Act 1989.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Electoral Commission.



J R Smaill
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Part 3: Statement of Objectives for the year ending 30 June 2006

Vision

**New Zealand's electoral framework and processes are
widely used, understood, trusted and valued.**

Organisational Objectives for 2005 /06

- I. Consolidate our position as the recognised authority for education on electoral matters and information about the electoral system. To be the first port of call for all those seeking information and data about the workings of MMP, the wider electoral context and related debates and practices overseas
- II. During the election period, competently and professionally deliver election generated obligations and aim for delivery with the other electoral agencies that is seamless to the public. Maximise opportunities to further the strategic goals through use of the election context
- III. Ensure that we have the capacity amongst our staff to deal flexibly with the full range of work that we cover. Assess needs and organise staff training and development as required.

Output 1: Application of the provisions of the Electoral Act 1993 relating to political parties

A Register of Political Parties (including party logos) is kept and made available for public inspection. Involved in this process is receiving and considering applications to register or to change registration details and responding to inquiries about the register and process of registration. Statutory requirements relating to political parties also cover disclosure of election expenses and donations

Objective for 2005/06

- I. Continue to respond to requests and to process applications in a professional manner that adheres to the Guiding Principles of Electoral Administration (see Annex)

Output 2: Promotion of public awareness of electoral matters

Education on electoral matters serves a broad purpose of maintaining public awareness of, and interest in, New Zealand's democratic processes and of delivering resources and programmes that encourage and enable civic, particularly electoral, participation. The range of activities and materials utilised recognises the range of audiences that include parties, journalists, the education sector and politicians as well as voters and recognises the diversity of the electorate and their different levels of interest and prior understanding. One part of education is to promote and facilitate study, discussion, education and communication on New Zealand electoral matters by academics, journalists and other commentators.

Objectives for 2005/06

- I. Plan and implement research based projects aimed at increasing Maori electoral participation
- II. Plan and implement research based projects aimed at increasing electoral participation amongst young people
- III. Plan and implement research based projects aimed at increasing electoral participation amongst Pacific peoples
- IV. Plan and implement research based projects utilising theories on electoral participation, in particular efficacy
- V. Provide easily accessible public information on the 2005 election after the election
- VI. Maximise the value of the election in meeting our strategic goals and vision
- VII. Consolidate the website as the primary source of information
- VIII. Benchmark our education work internationally and share with others our resources, research, expertise and experiences
- IX. Build and maintain a tool that, over time, identifies, describes and measures audiences' electoral participation.

Output 3: Allocation of election broadcasting time and funds in accordance with the provisions of the Broadcasting Act 1989

Most of the activity takes place once in each election cycle. In the year prior to an expected election, the commission follows a process of checking and consultation culminating in allocation of broadcast time and money amongst eligible political parties. The commission processes the payment of allocated money and supervises compliance with Part 6 of the Act. In between these periods the commission responds to inquiries, maintains all systems in readiness for the next cycle and remains abreast of related debates and processes in other democracies.

Objective for 2005/06

- I. Continue to carry out all aspects of the administration of these allocations in accordance with the Act and in a professional manner.

Output 4: Provision of advice on electoral matters

Advice to the Minister of Justice and Parliament on a range of electoral matters primarily takes the form of providing reports to the Justice and Electoral Committee; participating in the Officials Committee on Electoral Matters; and responding to Ministerial and Parliamentary questions.

Objectives for 2005/06

- I. Continue to respond in a professional manner
- II. Maintain a capacity to respond to questions on all election matters, including practice and debate overseas
- III. Make research results available to the Minister of Justice and Parliament
- IV. Assist in the Justice and Electoral Committee's post election review in a professional manner, utilising research and international benchmark material
- V. Maintain a capacity to participate in any fundamental review that is created in response to the recommendation of the Justice and Electoral Committee's review of the 2002 general election.

Output 5: Publicity in connection with the next general election

Voters should have the information necessary in order to cast an effective vote at a general election. There is a concentrated information campaign immediately preceding each election. In planning the campaign the needs of different audiences are taken into consideration. At all times there is a contingency plan for an information campaign should an early election be called.

Objectives for 2005/06

- I. Deliver an election information campaign that delivers credibly and cost effectively
- II. Ensure cohesion with activities in output 2 so that the broader education campaign supplements the specific information material for the general election
- III. Maximise the value of the election in meeting strategic goals and vision
- IV. Measure how many people were able to 'cast an effective vote' and the extent to which efficacy had an impact
- V. Achieve certainty in ongoing funding and timing that more closely relates to the financial realities of conducting a national information campaign
- VI. Monitor and respond to party and media comments on MMP.

Guiding Principles of Electoral Administration

The Justice and Electoral Committee's *Report on its Inquiry into the 1999 General Election* (I.7C, 2001, pages 18-20) recommended that the Government encourage all electoral agencies and officials to observe the following five electoral principles:

Principles	Scope of the principles
Independence	<p>Electoral agencies:</p> <ul style="list-style-type: none"> • must maintain the confidence of voters, candidates, political parties and Parliament in the integrity of the electoral process by being legally and in practice independent of all political parties and interest groups • are not subject to ministerial direction in carrying out their statutory functions, except as provided by law.
Neutrality	<p>Electoral agencies:</p> <ul style="list-style-type: none"> • carry out their statutory functions in a politically neutral and non-partisan manner • treat all voters, candidates and political parties fairly and impartially and in accordance with the law.
Service to voters, candidates, and parties	<p>Electoral agencies:</p> <ul style="list-style-type: none"> • provide the highest quality electoral services to all voters, candidates and political parties in accordance with the law • provide electoral services to voters, candidates and political parties in ways which are as simple as possible, consistent with the law and minimise compliance costs • ensure that all sections of the community have ready access to the electoral process in accordance with their needs • provide an effective service to electors on the Māori roll • make easily-understood information about the electoral process available to all sections of the community in accordance with their needs • respond promptly and accurately to requests for information about electoral matters • make information on their activities readily available to the public and the media • have transparent and fair procedures in place to deal promptly with complaints of impropriety.

Principles	Scope of the principles
Professionalism	<p>Electoral agencies:</p> <ul style="list-style-type: none"> • are committed to ensuring the integrity of the electoral process in accordance with the law • carry out their statutory functions in a fair, accurate, secure and timely manner • ensure that their members and employees behave in their public and private lives in ways which are consistent with the highest standards of independence and political neutrality • keep electoral legislation under review and report to Parliament on desirable changes to electoral legislation • continually evaluate their provision of electoral services and their internal and external procedures to ensure they are in accordance with the law, are meeting users' needs, are as simple, efficient and effective as possible, and use appropriate information technology • keep up to date with best international democratic electoral practice.
Responsibility accountability	<p>Electoral agencies:</p> <ul style="list-style-type: none"> • make efficient and effective use of financial and other resources to carry out their statutory functions • have clear financial and operational responsibilities and accountabilities under appropriate governance structures • set budgets according to objectives and regularly measure performance against objectives • are subject to regular independent auditing of financial and operational performance • provide Parliament with comprehensive, accurate and timely reports on their activities, including their capacity to conduct electoral events and their conduct of electoral events.

The Electoral Commission adopted these principles on 8 March 2002.



Electoral Commission
Te Kaitiaki Take Kōwhiri

www.elections.org.nz