



Tauākī Paearu Kawatau

Tā mātau mahere mō te 2024/25

Statement of Performance Expectations

Our plan for 2024/25

June 2024

Presented to the House of Representatives pursuant to section 149L of the Crown Entities Act 2004



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Rārangi kaupapa

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Tirohanga whānui Overview

Purpose of this Statement of Performance Expectations

This document describes our performance expectations for the 2024/25 financial year. These expectations provide a basis on which our actual performance can be assessed. It describes our output classes, our prospective financial statements and how we will assess our performance for the 2024/25 financial year.

The Statement of Performance Expectations aligns with our Statement of Intent 2022-2026.

The information in these documents is part of our accountability to the public.

Statement of Responsibility

This Statement of Performance Expectations has been prepared in accordance with the requirements of sections 149C and 149CA of the Crown Entities Act 2004. The prospective financial statements and performance expectations, prepared in accordance with generally accepted accounting standards for this Statement of Performance Expectations, were not audited and may not be relied upon for any other purpose.

Ko te aronga o tēnei Tauākī Paearu Kawatau (TPK)

E whakamārama ana tēnei tuhinga i ā mātau whainga kawatau ahumoni 2024/25. Ka whakaritea ēnei kawatau, he āheinga e tātari ai te arotakenga o ā mātau mahi.

E whakamārama ana i ā mātau pūnaha putanga, ngā rārangi ahumoni e matapaetia ana, ā, e pēwhea nō te arotake i tā mātau whakatutukitanga i ngā tau ahumoni 2024/25.

E hāngai ana te TPK ki tā mātau Tauākī Koronga 2022-2026.

Ko ngā mōhiohio kei ēnei tuhinga he mea taunaki i te pono o ā mātau mahi ki te iwi tūmatanui.

Tauākī Haepapa

He mea whakarite tēnei Tauākī Paearu Kawatau i raro i te mana whakaū o te tekihana 149C me te 149CA o te Ture Hinonga Karauna 2004.

Ko te tauākī ahumoni e matapaetia ana, me ngā ritenga kawatau, i whakaritea i ngā paerewa kaute e tika ana mō tēnei TPK, kāhore i oti te tātari kaute, ā, kāhore peangē e tika kia whakamahi mā ētahi kaupapa kē atu.

The Board acknowledges responsibility for the preparation of this Statement of Performance Expectations, which reflects the forecast performance and the forecast financial position of the Commission for the financial year ending 30 June 2025.

Nā te Poari te mana whakahaere ki te whakarite i te TPK, hei whakaatu i ngā paearu e matapaetia ana, ā, ko te matapae hoki i te paearu ahumoni o Te Kaitiaki Take Kōwhiri tātū atu ki te tau ahumoni rā aukati a te 30 o Hune 2025.

**Marie Shroff DNZM
CVO**

Chair

Pou Kaiāwhā Kaitiaki
Take Kōwhiri

Jane Meares

Deputy Chair

Pou Kaiāwhā Kaitiaki
Take Kōwhiri

Karl Le Quesne
Chief Electoral Officer

Pou Kaiāwhā Kaitiaki
Take Kōwhiri

Our purpose

The Electoral Commission, Te Kaitiaki Take Kōwhiri, is an independent Crown Entity established by the Electoral Act 1993. Our name Te Kaitiaki Take Kōwhiri means ‘the guardian of the choice’ and reflects our responsibility as kaitiaki (guardian) of New Zealand’s electoral system.

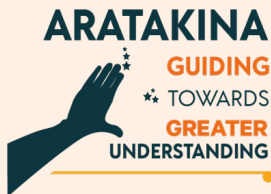
Our purpose, as defined in the Electoral Act 1993, is to administer New Zealand’s electoral system impartially, efficiently, effectively, and in a way that:

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

Our work contributes to healthy democracy in New Zealand by providing an electoral system people can have trust and confidence in and helping people to take part in electoral processes. We also help safeguard our democracy by supporting our Pacific neighbours to maintain robust, democratic electoral systems. Some of our regular activities are depicted on the following page.

While we are part of the public sector, we work independently from government, staying neutral and upholding electoral law. We are supported by the Ministry of Justice Te Tāhū o te Ture as our monitoring department and funded through the Vote Justice non-departmental output class General Election and Electoral Services.

Taumata, our values, underpin everything we do, helping us to accomplish our purpose (see images below).



What we do



Conduct general elections

We ensure the smooth delivery of New Zealand’s general elections.



Conduct by-elections and referendums

We conduct by-elections and referendums as required.



Maintain electoral rolls

We register voters and keep the electoral rolls up to date and accurate.



Enable the Māori Electoral Option

We enable eligible voters of Māori descent to choose which electoral roll to be on - the general roll or the Māori roll.



Support voters’ rights and protect their privacy

New Zealanders have the right to decide freely who they will vote for. We make sure that your vote remains secret.



Help New Zealanders take part in parliamentary elections

We educate New Zealanders about enrolling and voting and work with communities to help them understand and take part in elections.



Provide guidance to and manage compliance of election participants

We provide guidance on electoral finance and election advertising rules to parties, candidates and other electoral participants and help them meet their disclosure obligations.



Provide support to other countries

We provide technical assistance to neighbouring countries such as Tonga, Papua New Guinea, and Fiji in conducting their electoral events.



Support electoral policy development

We use our knowledge and experience to provide advice on electoral policy development and legislative reviews.



Support the Representation Commission

Every five years we support the Representation Commission, an independent body that reviews the boundaries and names of electorates.



Post-election review and reporting

Immediately after the delivery of a general election, we complete extensive post-election reviews and reporting.



Support local body elections

We provide enrolment data support for local body elections.

The year ahead

In 2024/25 a key area of the Commission’s work will be planning and preparing for a robust and efficient General Election in 2026. Alongside this, the Commission will be supporting the Representation Commission in their five-yearly review of electorate boundaries, providing enrolment services for the Tauranga City Council election, and preparing to deliver Māori Electoral Option and enrolment update campaigns, electoral rolls, and enrolment services for the 2025 local body elections. Our other planned activities for 2024/25 are outlined on pages 9 to 11.

As we prepare for the 2026 General Election we will continue to plan for potential disruptive events, while addressing areas for improvement arising from the 2023 General Election. Overall, the delivery of the 2023 General Election was accomplished successfully and surveyed voters reported high levels of voter satisfaction.¹ However, some of our processes and systems came under significant pressure, causing some issues, most notably errors during the official vote count. As a result of these errors, the Auditor-General has undertaken a review of our quality assurance processes and controls during the vote count period. In response, we implemented some improvements for the Port Waikato by-election. Ensuring our enrolment and post-election processes and controls are robust and effective will continue to be an important focus for 2024/25.

¹ 93% of the respondents to our 2023 voter and non-voter survey who voted in the election rated their overall satisfaction with the voting process as very good or excellent.

We will also look for opportunities to improve the administrative efficiency and timeliness of our election processes. Electors are increasingly taking advantage of the opportunity to enrol during the voting period or to vote wherever it is most convenient for them.² This improves accessibility to voting but also can contribute to longer wait times at some voting places and large numbers of manual enrolments and special votes to process once polls close before the official vote count can commence.

We will work with and provide advice to the Ministry of Justice on policy proposals that would support greater efficiency and modernisation of electoral system legislation while maintaining the integrity of the system.

We may need to make different or difficult choices about the levels of service we can provide and how we effectively mitigate risks to the electoral system. Inflation as well as global supply chain shortages and delays, and the growth of advance voting, have significantly increased the costs of running elections. We will identify ways to manage these cost pressures while running effective election services. This will enable us to continue to best serve New Zealanders by operating efficiently, effectively and in a financially responsible manner.

² During the 2023 General Election there were 46.2% more enrolments after Writ Day than during the 2020 General Election, and a 19.4% increase in special votes.

Ko ngā whakatakoto tikanga matua
Our strategic priorities

The Commission’s strategic priorities were set in July 2021 and are described in more detail in our Statement of Intent 2022-2026.

Our four priorities are:

- being election prepared
- preparing for the future

- building relationships and understanding, and
- building our capability.

Focusing on these priorities will place us in a strong position to continue to deliver safe, reliable, and trustworthy elections. How we will advance these priorities in 2024/25 is outlined in the section below.



Being election prepared

By-elections or referendums can happen at any time, and the date of general elections is not fixed. This means that we need to be prepared at all times.

In addition, the general election occurs in an environment that is increasingly uncertain and complex. We are strengthening the way we plan and prepare, so we are resilient, election-ready earlier in the cycle, and more flexible to respond to changes in requirements.

As we shift into the planning and preparation phase of the general election cycle, we will be implementing the improvements identified in our review of the 2023 General Election and

addressing the recommendations from the Auditor-General’s review of quality assurance processes in the 2023 General Election vote count that can be achieved this electoral cycle. This includes conducting a thorough assessment of our enrolment processes and our post-election activities this year to identify ways to improve accuracy, integrity, and timeliness for the 2026 General Election.

In 2024/25, we will establish the design of the 2026 General Election and develop the plans to deliver the programme. This includes identifying staffing, accommodation, technology, and other requirements and beginning procurement processes. We will also begin to put in place the regional structures for the 2026 General Election, starting with the recruitment and training of regional managers, who are responsible for planning and delivering voting services in their region.



Preparing for the future

We need to be flexible and plan for the short-term, but also look to the future. Planning past the next election allows us to tackle issues too complex to address in the short-term. This strategic focus will help guide current decision-making about priorities and approaches in the shorter term, in ways that do not create risk for upcoming elections.

In 2024/25 we will complete our long-term strategy, which will feed into the

refresh of our performance framework and measures and the development of our next Statement of Intent. We will start longer-term planning to achieve our strategy, including planning to address recommendations from the General Election 2023 review and the Auditor-General's review that will require greater change and investment than can be achieved in one electoral cycle.

We will also continue to support the Inquiry into the 2023 General Election and incorporate or plan for legislative changes that result from electoral system policy changes, the Inquiry, and the Auditor-General's review.



Building relationships and understanding

As our operating environment has become more complex, the Commission has had a greater need for the support of others to help deliver elections. Many other agencies work with us as we prepare for and deliver an election, contributing vital intelligence, knowledge, and expertise. We will continue to work collaboratively with key agencies in 2024/25 to grow and maintain these partnerships.

Demystifying what we do and how we do it helps people understand how the

broader electoral system works, which helps reinforce trust in our services and encourage participation in the various aspects of the system. We will continue to work alongside specific communities where enrolment and voting levels may be lower than in the wider community, to enable greater participation.

Public expectations and understanding of the electoral system continue to change. In 2024/25 we will review how we can best work with our stakeholders to achieve our statutory objectives and how we educate and inform electors and voters. We will review our existing information, channels, and processes for communicating with electors and voters to ensure they are streamlined, accessible and can reach those with lower enrolment and participation levels.



Building our capability

How an organisation works (its capability) is critical to its success. We have been building and adapting our capability to better support the work we need to do now and in the future. This includes providing greater stability and certainty through a funding model that better meets the requirements of a three-year electoral cycle and ensuring we have strong governance policies and procedures in place to continue to support the delivery of quality outcomes. A focus on best practice governance will support the Board to make well-informed decisions based on robust information and to hold management to account.

We have spent considerable effort building our operating model, financial

systems, and operational and strategic capability. To ensure our ongoing financial sustainability, a key focus in the coming year will be developing information and analysis to inform options for the design of the upcoming 2026 General Election that will deliver good outcomes for New Zealanders while recognising fiscal constraints.

We will also continue to build organisational maturity in areas such as programme and project management, risk and assurance, and organisational performance management. We will start to implement our information and data management improvement programmes; identifying future needs and developing plans to ensure we carefully manage these important assets. We will also be refreshing and expanding our training offerings for staff, including implementing information management and systems training and stakeholder engagement and intercultural competency training.



Other key activities for 2024/2025

Other areas of focus for 2024/25 will be:

- supporting the Representation Commission
- supporting enrolment services for the Tauranga City Council election
- preparing for and supporting the 2025 local body elections including an enrolment update and Māori electoral option campaign.

He arotakenga puni mataora

How we will assess our performance

Our performance measurement framework, alongside our purpose and values, guides what we do and informs the choices we make as we prioritise our resources to deliver our main activities. It provides a way of evaluating whether we are making good progress towards our outcomes and delivering our services effectively.

Our performance measurement framework has four layers:

Our **priority areas of focus** are the strategic priorities we set in July 2021. What we intend to achieve in these areas in 2024/25 is outlined on pages 9 to 11.

Our **main activities** are the key outputs of our work. How well we deliver them will determine if we achieve the **impacts** we aim to have on the lives of New Zealanders. When we achieve these impacts, our work contributes to the **outcome**: New Zealand maintains a healthy democracy. How we will measure our impacts and outputs in 2024/25 is outlined on pages 14 to 23.

We measure aspects of our performance on a three-year cycle to align with the timing of the delivery of general elections. Our work during 2024/25 broadly equates to year one of the electoral cycle. Performance measures for election-related activities that occur later in the cycle are not included in this Statement of Performance Expectations.



Impact 1: People have trust and confidence in the electoral system

Trust and confidence in the electoral system is vital to a healthy democracy. How well we administer the aspects of the electoral system we are responsible for and maintain our reputation as impartial and independent affects public trust and confidence. External factors, however, also influence trust, such as broader experiences with government and public services, misinformation, perceptions of foreign interference, and low social cohesion.

Trust and participation are closely related. High participation rates both require, and reinforce, people’s trust and confidence in the electoral system and election results. Personal and community experiences of participation likewise impact on trust and confidence.

Previously, the Commission has only measured trust and confidence after each general election, but we will now be measuring this on an annual basis through an externally run survey of both voters and non-voters.

Performance measure	Target	Comparative
Percentage of surveyed eligible voters who have ‘total or high’ confidence the Electoral Commission conducts Parliamentary elections fairly in New Zealand*	76% or greater	2023/24 survey result: 72%**
Percentage of surveyed eligible voters who have ‘total or high’ confidence that Electoral Commission staff conduct Parliamentary elections impartially in New Zealand	76% or greater	2023/24 survey result: 71%**

*Estimates of Appropriation measure.

**Please note that prior to 2023/24 a different survey methodology was used to obtain results for this measure.

Impact 2: People take part in the electoral process

While voting is voluntary in New Zealand, a healthy democracy requires high participation rates by voters, and the Commission aims to enable all eligible voters to participate if they choose to do so. However, there are many factors outside our control that influence voter turnout.

Enrolment is the necessary precursor to voting, and in New Zealand it is compulsory for anyone eligible to be registered to vote. However, enrolment is not automatic and relies on potential electors registering and then continuing to update their details when they move addresses or their eligibility changes. The Commission conducts regular enrolment update campaigns and works in and with communities to encourage enrolment. As

the population becomes more mobile and more diverse, however, it is increasingly challenging to maintain enrolment levels.

To understand levels of participation in the electoral system, the Commission monitors voter turnout at elections, by-elections, and referendums and enrolment levels throughout the electoral cycle. Our voter turnout and enrolment measures are based on eligible population projections produced by Stats NZ.

Enrolment levels fluctuate throughout the cycle, depending on the timing of elections, enrolment campaigns, roll cleansing activities and updates to our population estimates. To minimise the impact of these variables, our annual results are based on daily results averaged across the period.

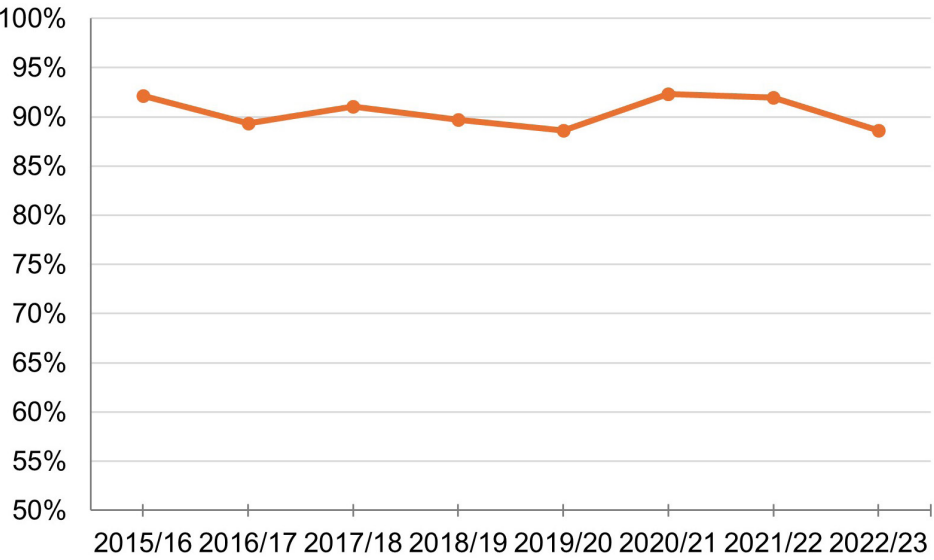
Performance measure	Target	Comparative
Percentage of eligible population enrolled to vote (average for the period)*	85% or greater	New measure Refer to graph 1
Percentage of eligible 18-24-year-olds enrolled to vote (average for the period)	60% or greater	New measure Refer to graph 2
Number of people of Māori descent enrolled to vote (average for the period)**	0.546m	Refer to graph 3

Performance measure	Target	Comparative
By-election (if applicable): Percentage of people enrolled who cast a vote	35% or greater	New measure 2023 Port Waikato by-election: 35.9% 2022 Hamilton West by-election: 31.4% 2022 Tauranga by-election: 40.5%

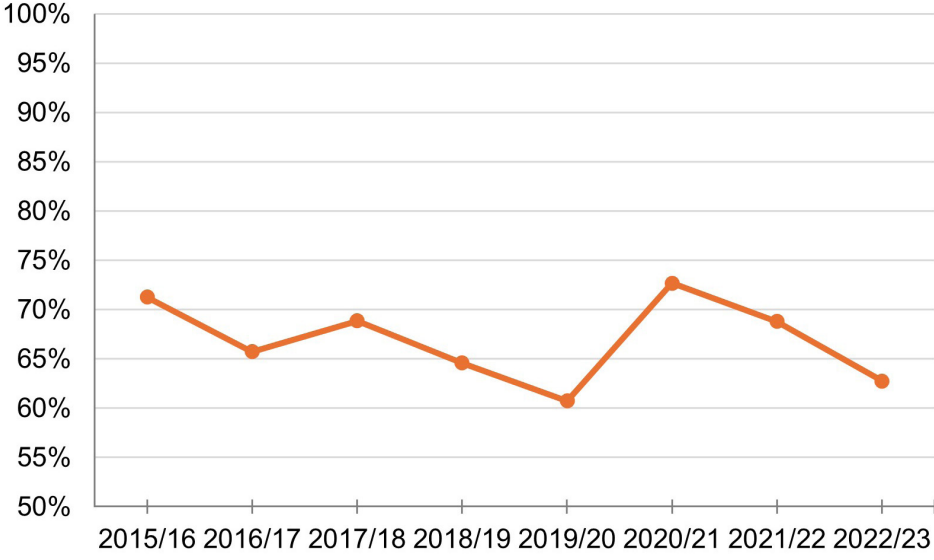
*Estimates of Appropriation measure.

**We do not receive population estimates for this group, so we are unable to provide this context at this time.

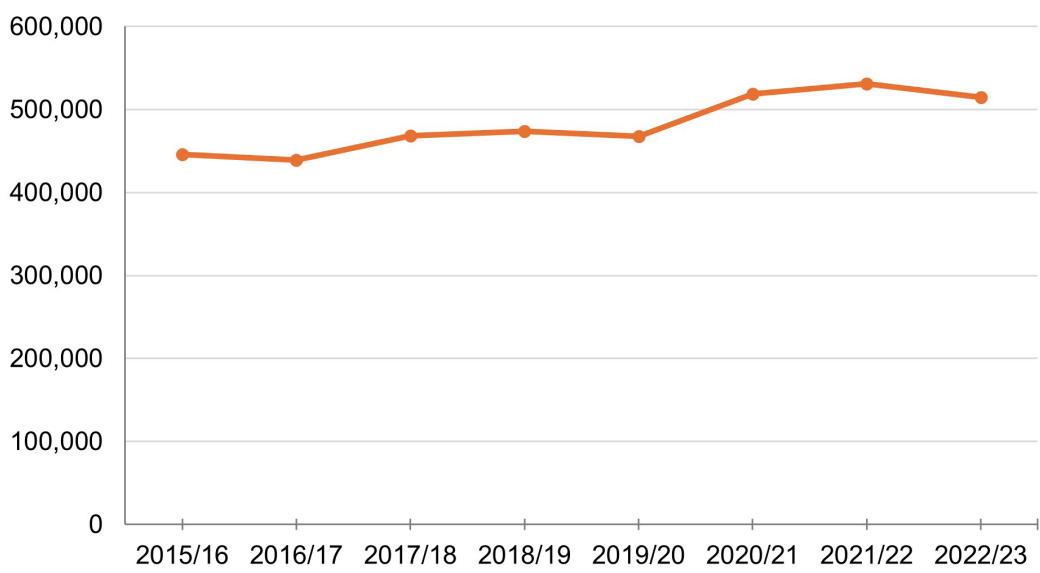
Graph 1: Percentage of eligible population enrolled to vote



Graph 2: Percentage of eligible 18-24-year olds enrolled to vote



Graph 3: Number of people of Māori descent enrolled to vote



Output 1: Maintaining and protecting the integrity of the electoral

Electoral system integrity influences public trust and confidence. Maintaining the integrity of the electoral system means:

- we remain impartial, uphold and follow electoral law, and work independently from government
- the electoral roll is continuously maintained to keep it up-to-date and accurate
- we have strong IT, cyber and physical security programmes, and our systems are regularly tested and maintained
- we protect the rights of voters to vote

securely and privately, we make sure that votes are counted and reported correctly, and the process follows the law

- we provide advice and guidance to political parties, candidates and third parties to help them meet their obligations under the electoral law and take action where they do not
- we give advice to the government on possible changes to electoral laws.

The measures below are important to ensuring the integrity of the electoral system.

Performance measure	Target	Comparative
Percentage of reviewed electoral roll changes requiring no correction*	98.5% or greater	New measure
Percentage of failures by a party, candidate or third party to file a relevant return of election expenses, donations, or loans that are followed up within 5 working days.	95% or greater	2022/23 result: 100%
Percentage of allegations of electoral finance or advertising breaches of the Electoral Act that are acknowledged, and follow-up initiated if required, within 10 working days of receipt	90% or greater	2022/23 result: 100%

Performance measure	Target	Comparative
By-election (if applicable): Official result certificates for the electorate are signed by both the electorate Returning Officer and the attending Justice of the Peace	Achieved	2023 Port Waikato by-election: Achieved 2022 Hamilton West by-election: Achieved 2022 Tauranga by-election: Achieved

*The Commission regularly audits a random sample of elector records that have had manual, or system-automated changes made to them to ensure changes between electoral rolls and to name, address, date of birth, and Māori descent data fields were made correctly.

Output 2: Preparing for and running electoral events

While much of the Commission’s work revolves around the three-year general election cycle, we need to be prepared to run an election or by-election at any time.

General elections are large-scale, nationwide events that takes a great deal of planning and preparation. We learn a lot from every event we deliver and build on this for the next event. The key activities we will undertake

in 2024/25 to prepare for the 2026 General Election are outlined on page 9. Preparations for a general election are managed as a work programme with monitoring and governance provided by an internal Programme Board as well as the Commission’s Board. This oversight is supported by internal and external assurance activities. Regular updates are also provided to our Crown monitor, the Ministry of Justice.

Performance measure	Target	Comparative
Design of key election processes are assessed as likely to be effective*	Achieved	New measure
By-election (if applicable): Preliminary results start to be publicly released by 7.30pm on the day of the by-election	Achieved	2023 Port Waikato by-election: Achieved 2022 Hamilton West by-election: Achieved 2022 Tauranga by-election: Achieved
By-election (if applicable): Official results are declared by or on the date scheduled	Achieved	2023 Port Waikato by-election: Achieved 2022 Hamilton West by-election: Achieved 2022 Tauranga by-election: Achieved

*Key election processes will be externally assessed once per electoral cycle to ensure they are likely to contribute to the effective delivery of the next general election.

Output 3: Helping people understand the electoral system

To increase participation and trust and confidence in the system, we help people to understand:

- why their vote matters
- how the electoral system works and contributes to healthy democracy in New Zealand
- when and how to take part as electors, voters, candidates, political parties, or third-party promoters.

We build understanding and awareness by providing clear and accurate information and data, targeted guidance and activities, and by working within and alongside communities.

The measures below have been chosen as they represent key areas where we seek to build understanding. They will be measured on an annual basis through an externally run survey of both voters and non-voters.

Performance measure	Target	Comparative
Percentage of people of Māori descent surveyed that demonstrate a good understanding of the Māori Electoral Option*	65% or greater	2023/24 survey result: 65%
Percentage of survey respondents that report a good or very good understanding of the process for voting in New Zealand**	88% or greater	2023/24 survey result: 94%***
Percentage of survey respondents that report a good or very good understanding of the process for enrolment in New Zealand	88% or greater	New measure 2023/24 survey result: 92%

*Participants demonstrate a good understanding if they select the correct answer to four statements about the Māori Electoral Option.

**Estimates of Appropriation measure.

***Please note that prior to 2023/24 a different survey methodology was used to obtain results for this measure.

Output 4: Making it easy and simple for people to take part

We aim to make participation in the electoral system easy, which includes:

- ensuring our advice and guidance is clear, accessible, and relevant
- ensuring our systems and processes for enrolment, voting, and other electoral activities are simple and accessible, while not undermining the integrity of the electoral system

- providing support tailored to communities with lower participation rates.

The measures below have been chosen as they represent areas where participants will engage with our services during 2024/25.

Performance measure	Target	Comparative
Percentage of enrolment transactions that are conducted digitally	50% or greater	2022/23 result: 45.2%*
Percentage of survey respondents who agree or strongly agree that advisory opinions provided were timely and adequately answered their requests**	80% or greater	2022/23 result: 81.8%
Percentage of advisory opinions issued within 5 working days	95% or greater	2022/23 result: 99.3%

*The intent of this measure is to ensure our digital services are accessible for electors. For this reason, we changed our methodology on 1 July 2023 to exclude transactions that are not initiated by electors, for instance changes prompted by undelivered mail, or updates to the births, deaths, and marriages register.

**We provide advisory opinions on whether an advertisement counts as an election advertisement for the purposes of the Electoral Act 1993. Our opinions are our interpretation of the Act and not legal advice. Advisory opinions are most often requested by candidates, parties, third party promoters and members of the public.

Notes to the performance measures

We have made some changes to our performance measures for 2024/25 to ensure they provide a comprehensive picture of the Commission’s performance and are meaningful and auditable.

This has involved:

- completing a gap analysis of our existing measures against our performance framework
- evaluating existing measures for alignment to the outcomes we are trying to achieve, meaningfulness to Parliament and the public, and feasibility of measurement
- removing or adjusting measures that do not meet the above criteria
- developing new measures as necessary.

In undertaking this work we have been mindful of best practice guidance for Crown entities as well as the requirements of the Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48).

Many of the changes relate to our impact measures, which we have been able to improve by taking advantage of newly available data to develop more outcomes-focused measures or by refocusing existing measures to increase their meaningfulness.

During 2023/24 we began commissioning short annual surveys to supplement

the insight we obtain after each general election as part of our comprehensive post-election survey of voters and non-voters. This has enabled us to introduce new measures that demonstrate the impact of our work both on public trust and confidence and on public understanding of electoral processes. These measures replace the use of delivery milestones as a means of assessing performance in these areas.

We have also modified our approach to measuring enrolment participation. Previously we had set new enrolment number targets each year based on where we are in the electoral cycle and anticipated variations in levels of public engagement. This has not made it easy for Parliament or the public to understand enrolment trends across a three-year cycle or multiple cycles, or to evaluate how successful our efforts have been at encouraging eligible New Zealanders to enrol. We are now setting enrolment targets as a percentage of the estimated eligible population, based on annual population estimates provided by Stats NZ, where estimates are available. Rather than continuing to adjust the performance standard year on year, we will maintain a consistent, moderately ambitious target throughout the electoral cycle and will provide contextual trend information and explanations when reporting on this.

Prospective financial statements

Prospective summary of outputs and output expenses

For the year ending 30 June

	2023/24 Forecast \$000	2024/25 Budget \$000
OUTPUT CLASS - PROVISION OF ELECTORAL SERVICES		
OUTPUT REVENUE		
Crown revenue	117,454	50,717
Other revenue	846	317
Total output revenue	118,300	51,034
OUTPUT EXPENDITURE		
Output Area 1: Maintain and protect the integrity of the electoral system	32,342	33,870
Output Area 2: Prepare for and conduct well-run, risk-mitigated electoral events		
General election	92,760	3,648
By-elections	1,558	-
Representation Commission	44	1,274
Māori electoral option	656	2,864
Local body election	286	8,701
	95,304	16,487
Output Area 3: Help people understand the electoral system	609	30
Output Area 4: Make it easy and simple for people to take part	691	647
Total output expenditure	128,946	51,034
Net surplus to / (shortfall from) current reserves excluding international assistance programme and broadcasting allocation	(10,646)	-

Table continues on the next page.

	2023/24 Forecast \$000	2024/25 Budget \$000
International assistance revenue	1,748	2,630
International assistance expenditure	1,748	2,630
Net surplus from international assistance programme	-	-
Broadcasting allocation revenue	3,605	-
Broadcasting allocation expenditure	3,586	-
Net surplus from broadcasting allocation	19	-
Net surplus to / (shortfall from) current reserves	(10,627)	-

Prospective statement of comprehensive revenue and expense

For the year ending 30 June

	2023/24 Forecast \$000	2024/25 Budget \$000
Revenue		
Revenue from Crown		
- Core	114,844	39,888
- Local body election	-	8,701
- Māori electoral option	675	1,917
- Representation Commission	200	-
- Broadcasting allocation	3,605	-
- Election access fund	145	211
- By-elections	1,590	-
<i>Total revenue from Crown</i>	<i>121,059</i>	<i>50,717</i>
International assistance programme	1,748	2,630
Interest received	659	134
Other income	187	183
Total revenue	123,653	53,664
Expense		
Employee related expenses	72,677	25,482
Computer & telecommunications	7,681	3,839
Occupancy costs	14,465	1,785
Office equipment	289	82
Specialist services	22,357	12,415
Travel expense	2,628	886
Meeting & entertainment	125	72
Printing, stationery & postage	13,075	8,203
Miscellaneous expenses	355	283
Depreciation & amortisation	468	452
Audit fees	160	165
Total expenses	134,280	53,664
Surplus / (deficit)	(10,627)	-
Total comprehensive revenue and expense for the year	(10,627)	-

Significant assumptions on the funding for 2024/25 are explained on page 36.

Prospective statement of financial position

As at 30 June

	2023/24 Forecast \$000	2024/25 Budget \$000
Assets		
Current assets		
Cash and cash equivalents	12,583	9,596
Debtors and other receivables	75	75
Goods and services tax receivable	202	1,400
Inventory	30	21
Prepayment	440	200
<i>Total current assets</i>	<i>13,330</i>	<i>11,292</i>
Non-current assets		
Property, plant, and equipment	378	277
Intangible assets	874	523
<i>Total non-current assets</i>	<i>1,252</i>	<i>800</i>
Total assets	14,582	12,092
Liabilities		
Current liabilities		
Revenue in advance	5,491	5,119
Creditors and other payables	1,500	432
Employee entitlements (current)	1,376	691
Provisions	370	-
<i>Total current liabilities</i>	<i>8,737</i>	<i>6,242</i>
Non-current liabilities		
Employee entitlements (non-current)	60	65
<i>Total non-current liabilities</i>	<i>60</i>	<i>65</i>
Total liabilities	8,797	6,307
Net assets	5,785	5,785
Equity		
Opening equity	16,412	5,785
Surplus / (deficit)	(10,627)	-
Capital contributions	-	-
Total equity	5,785	5,785

Prospective statement of changes in equity

As at 30 June

	2023/24 Forecast \$000	2024/25 Budget \$000
Opening balance at 1 July	16,412	5,785
Net comprehensive revenue and expense for the year	(10,627)	-
Closing balance at 30 June	5,785	5,785

Prospective statement of cash flows

For the year ending 30 June

	2023/24 Forecast \$000	2024/25 Budget \$000
Cash flows from operating activities		
Receipts from Crown	121,214	50,876
Interest received	659	134
Receipts from other revenue	2,445	2,283
Payments to employee related expenses	(73,683)	(26,531)
Payments to suppliers	(65,145)	(28,550)
Goods and services tax (net)	1,165	(1,199)
Net cash flows from operating activities	(13,345)	(2,987)
Cash flows from investing activities		
Receipts from sale of property, plant, and equipment	-	-
Purchase of property, plant, and equipment	-	-
Purchase of intangible assets	-	-
Net cash flows from investing activities	-	-
Cash flows from financing activities		
Receipts of capital contributions	-	-
Net cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(13,345)	(2,987)
Cash and cash equivalents at the beginning of the year	25,928	12,583
Cash and cash equivalents at the end of the year	12,583	9,596

Prospective reconciliation of net surplus/(deficit) to net cash flow from operating activities

For the year ending 30 June

	2023/24 Forecast \$000	2024/25 Budget \$000
Net surplus / (deficit)	(10,627)	-
Add / (less) non-cash items		
Depreciation and amortisation expense	468	452
Loss / (gain) on disposal of assets	36	-
Increase / (decrease) in employee entitlements (non-current)	(16)	5
Total non-cash items	488	457
Working capital movements		
(Increase) / decrease in debtors and other receivables	(51)	-
(Increase) / decrease in inventory	(5)	9
(Increase) / decrease in prepayment	(330)	240
Increase / (decrease) in revenue in advance	717	(371)
Increase / (decrease) in creditors and other payables	(3,711)	(1,069)
Increase / (decrease) in goods and services tax	1,165	(1,199)
Increase / (decrease) in employee entitlements (current)	(1,361)	(684)
Increase / (decrease) in provisions	370	(370)
Net movement in working capital	(3,206)	(3,444)
Net cash flows from operating activities	(13,345)	(2,987)

Notes to the prospective financial statements

Statement of accounting policies

Reporting entity

The Electoral Commission is a Crown Entity defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. As such the Electoral Commission's ultimate parent is the New Zealand Crown. The relevant legislation governing the Commission's operations includes the Electoral Act 1993, the Crown Entities Act 2004, the Broadcasting Act 1989, the New Zealand Flag Referendums Act 2015 while applicable, and the Referenda (Posting Voting) Act 2000.

The Commission's functions and responsibilities are set out in the Electoral Act 1993 and related legislation.

As the Commission's primary objective is to provide services for social benefit rather than for the purpose of making a financial return, the Commission has designated itself as a public benefit entity (PBE) for financial reporting under New Zealand equivalents to International Public Sector Accounting Standards.

Statutory purpose

The Commission's statutory purpose is to administer the electoral system impartially, efficiently, effectively and in a way that:

- Facilitates participation in parliamentary democracy; and
- Promotes understanding of the electoral system; and

- Maintains confidence in the administration of the electoral system.

Basis of preparation

The prospective financial statements of the Commission have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

Statement of compliance

The prospective financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Electoral Act 1993, which includes the requirement to comply with the New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements comply with NZ FRS 42 and Tier 1 Public Benefit Entity (PBE) accounting standards.

The prospective financial statements contain information that may not be appropriate for purposes other than those described in the Board Statement and have not been audited.

Measurement basis

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

Except for cash flow information which has been prepared on a cash basis, the prospective financial statements have

been prepared on the basis of accrual accounting.

Presentation currency and rounding

The functional and presentation currency is New Zealand dollars. All values are rounded to the nearest thousand dollars (\$000).

Changes in accounting policies

There have been no changes in accounting policies.

Significant accounting policies

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

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

The Commission earns revenue from:

- Crown funding through Vote Justice
- Ministry contracts for the recovery of costs incurred (Ministry of Foreign Affairs and Trade for the Commission's International Assistance Programme activities and Te Puni Kōkiri for Māori affiliation services)
- Sale of electoral rolls; and
- Interest revenue.

Crown funding and Ministry contracts

Revenue provided by the Crown and revenue earned under Ministry contracts is recognised in the Prospective Statement of Comprehensive Revenue and Expense in the period in which

the Commission provides the funded programmes.

Revenue from the Crown is measured based on the Commission's funding entitlement for the reporting period.

Sale of electoral rolls

Revenue from sale of electoral rolls to businesses and the general public is recognised in the period in which it is earned.

Interest

Interest revenue is recognised on a time-proportion basis using the effective interest method.

Monies held in the Trust Account

The Trust Account for Nomination Deposits is administered on behalf of the Crown in accordance with Part VII of the Public Finance Act 1989. This trust account holds deposits received by individual nominees and political parties contesting by-elections and parliamentary elections.

Under the Electoral Act 1993 someone defined as a NZ person may donate more than \$1,500 to a party anonymously. The Commission collects and pays these monies without disclosure of either the payee or recipient.

Monies received for both nomination deposits and donations to a party are held in a separate bank account and are not included in the Commissions prospective financial statements.

Goods and services tax

All items in the prospective financial statements are presented exclusive of

Goods and Services Tax (GST), except receivables and payables, which are presented on a GST inclusive basis.

Where GST is not recoverable, it is recognised as part of the related asset or expense.

Net GST receivable or payable at balance date is separately disclosed under current assets or current liabilities in the Prospective Statement of Financial Position as appropriate.

The net GST paid, or received, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Prospective Statement of Cash Flows.

Income tax

The Commission is a Public Authority in terms of the Income Tax Act 2004 and is consequently exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Payment of any surplus to the Crown

Section 165 of the Crown Entities Act 2004 provides the Minister of Finance with discretion to require Crown Entities to return annual and accumulated operating surpluses to the Crown.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into New Zealand dollars using the exchange rates prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of foreign currency monetary assets and liabilities, are recognised in the

Prospective Statement of Comprehensive Revenue and Expense.

Other financial assets

Financial assets are initially recognised at fair value. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Commission has transferred substantially all the risks and rewards of ownership.

Loans and receivables financial assets – comprising cash and cash equivalents, debtors, and other receivables

Loans and receivables financial assets are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. After initial recognition, loans and receivables financial assets are carried at amortised cost using the effective interest method.

Impairment of financial assets

Financial instruments are regularly reviewed for objective evidence of impairment. Both provisioned and non-provisioned bad debts are written-off when recovery actions have been unsuccessful and when the likelihood of recovery is considered remote.

Other financial liabilities

Financial liabilities measured at amortised cost – comprising creditors and other payables.

After initial recognition, financial liabilities measured at amortised cost are carried at amortised cost using the effective interest method.

Leases

Operating leases

The Commission leases office premises and office equipment.

As substantially all the risks and rewards incidental to ownership of the asset are retained by the lessor, these leases are classified as operating leases. Operating lease payments are recognised in the Prospective Statement of Comprehensive Revenue and Expense as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term, highly liquid investments, with original maturities of three months or less. Cash is measured at its face value.

Inventories

Inventories are held for the distribution or in use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first.

Property, plant, and equipment

Property, plant, and equipment assets are carried at cost less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably. The minimum cost value for a purchase to be classified as a property, plant, and equipment asset is \$3,000.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in the Prospective Statement of Comprehensive Revenue and Expense. When re-valued assets are sold, the amounts included in revaluation reserves in respect of these assets are transferred to general funds.

Subsequent costs

Costs incurred after initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Commission and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the Prospective Statement of Comprehensive Revenue and Expense as they are incurred.

Depreciation

Depreciation is provided for on a straight-line basis on all property, plant, and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Office equipment	5 years	20%
Leasehold improvements	9 years	11%
Computer equipment	3 years	33%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Intangible assets

Software acquisition and development

Acquired computer software licenses and databases are capitalised on the basis of the costs incurred to acquire and bring these to use.

Costs incurred by the Commission for the development of software for internal use, other than for the development of software associated with websites, are recognised as an intangible asset where the asset meets the criteria for recognition. Costs recognised include the software development and any other directly attributable costs. Software as a Service (SaaS) purchases are expensed consistent with the Treasury New Zealand guidelines.

Costs associated with maintaining computer software, staff training, and with the development and maintenance of websites, are expensed when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised.

The amortisation charge for each period is recognised in the Prospective Statement of Comprehensive Revenue and Expense.

The useful lives and associated amortisation rates of major classes of intangible asset have been estimated as follows:

Acquired computer software	3 years	33%
Developed computer software	10 years	11%

Impairment of property, plant, and equipment and intangibles

The Commission does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Non-cash-generating assets

Property, plant, and equipment and intangible assets that have a finite useful life are reviewed for indicators of impairment at each financial reporting date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset’s fair value less costs to sell and value in use. Value in use

is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset is impaired, its carrying amount is written down to the recoverable amount. For assets carried at historical cost the total impairment loss and any subsequent reversals of impairment are recognised in the Prospective Statement of Comprehensive Revenue and Expense.

Employee entitlements

Short-term employee entitlements

Employee entitlements that the Commission expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

The Commission recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are yet to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave, have been calculated on a proportionate basis to the date that the entitlements are contracted to become vested to the employee.

Post-employment entitlements

Superannuation schemes: Obligations for the Commission’s contributions to KiwiSaver and State Sector Retirement Savings Scheme are accounted for as contributions to a defined-contribution superannuation scheme and are recognised as an expense in the Prospective Statement of Comprehensive Revenue and Expense.

Deferred revenue

Revenue that is received but which have outstanding contractual obligations is treated as a liability in the Prospective Statement of Financial Position until the contractual obligations have been met. The deferred revenue is consequently then decreased by the amount of expired contractual obligation and is presented as revenue in the prospective Statement of Comprehensive Revenue and Expense.

Equity

Equity is measured as the difference between total assets and total liabilities.

The Commission is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing of guarantees and indemnities, and the use of derivatives.

The Commission has complied with the financial management requirements of the Crown Entities Act 2004 during the year. The Commission manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments, and general financial dealings to ensure that the Commission effectively achieves its objectives and purpose, while remaining a going concern.

Critical accounting estimates, assumptions, and judgments

In preparing the prospective financial statements the Electoral Commission has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results and the variations may be material. Estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events, rather than actual occurring events or transactions, which are believed to be reasonable under the circumstances.

The extension of the Local Body Election (LBE) voting period by a further two weeks will result in an earlier enrolment cut-off date. This means the enrolment update campaign costs that would typically be spent in Year 2 of the 3-year cycle will now be incurred in 2024/25 (Year 1). The Māori Electoral Option campaign has also historically been once every five years, but recent changes have required the Commission to complete an update campaign prior to each LBE.

The Electoral Commission therefore will require to request funds be drawn forward from 2025/26 at the October Baseline Update to cover for the costs that will be incurred in 2024/25. The change is a forecast adjustment within the time period and scope of the Multi-Year Appropriation under Cabinet Office Circular CO (18)2.

There are no other critical accounting estimates and assumptions that will cause material adjustments to the carrying amounts of assets and liabilities within the financial year.



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