

Annual report

Te Pūrongo ā Tau

For the year ended 30 June 2020

Electoral Commission
Te Kaitiaki Take Kōwhiri

Minister of Justice

It is a pleasure to provide to you, for presentation to Parliament, the Electoral Commission's 2020 Annual Report, Te Kaitiaki Take Kōwhiri, as required by section 150(3) of the Crown Entities Act 2004.

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Reta mai i ngā Kaikōmihana

E whāriki ana tēnei Pūrongo ā-Tau i te tutukitanga o ngā whāinga a te Kōmihana mai i tāna Tauākī Whakamaunga atu 2019/20 - 2023/24 me ngā paearu me te mahere tahua e takoto ana i roto i te Tauākī Paearu Kawatau.

Koinei te tau ratonga tuatahi mā etahi mema poari tokorua hou a te Kōmihana, ko Marie Shroff (Heamana) rāua ko Jane Meares (Heamana Tuarua), i tohua rāua tahi i te Hereturikōkā 2019.

Ko te aronga matua o te wā mai i te 1 o Hongongoi 2019 ki te 20 o Pipiri 2020 ko ngā takatūtanga whakatātare e haepapatia ana mō te tuku i tētahi pōtitanga whānui tuatinitini. Āpiti atu ki ngā tāpaetanga pōti i whakahaeretia i te wā pōti, ka taea e ngā tāngata o Aotearoa te whakauru me te tuku pōti whaimana i te Rā Pōti tonu mō te wā tuatahi, ā, ka āhei anō ngā herehere he iti iho i te toru tau tā rātou whiunga te pōti. E matapae ana mātou ka piki te hiahia a ngā kaipōti i te pōtitanga 2020 mō ngā ratonga tuku pōti tōmua, me te pikitanga hoki o te nui o ngā pōti motuhake. Nā enei panonitanga katoa i pā ētahi hīraunga ki ō mātou pūnaha, whakaratonga, tukanga me ngā tāngata.

Ko te whakarite mō tētahi mahi pēnei rawa te tuatini me te nui, ehara i te mahi māmā, ā, he maha ngā whai wāhitanga tāngata me ngā mahi. Tāpiri atu, i te wāhanga tōmuri o tēnei tau tahua, i mate mātou ki te arotake me me te whakamahere wawe i te tukunga o tētahi pōtinga i runga i ngā tūpono hīraunga o te KOWHEORI-19.

E hiahia ana mātou ki te tūtohu ake i te uaua o ngā wero mō Aotearoa whānui i ngā marama whakamutunga o 2019/2020. I tēnei taiao, i ara wawe ngā kaimahi a te Kōmihana ki te tūtaki atu i ngā wero i puea ake nā te urutā KOWHEORI-19. Ko te mahi whakatātare i raro i ngā āhuatanga whakararu nui, uaua hoki, i āta arotakehia e ngā kaimahi ngā hīraunga o te tuku i tētahi pōtitanga i te taiao urutā. I hoahoatia anō ngā whakahaerenga hei whakaea i ngā take hauora me te haumaruru, i te wā e whakarite ana i tētahi ratonga e whakatenatena ana i te whakaurunga, ā, e mau tonu ana hoki te ngākau pono. Nō muri ka panonitia anō ngā whakaritenga kia whai wāhi ai te panonitanga o te rā pōti i taea noatia tēnei nā te angitu o ngā mahi i oti kē te para i mua o te urutā.

E mihi motuhenga ana mātou ki ngā tāngata katoa me ngā hoa i whakapeto ngoi kia angitu ai tēnei tau pakeke. Inarā, i whakaatu anō ngā kaimahi a te Kōmihana i tō rātou pūmau ki te tuku ratonga e āwhina ai kia whiwhi ngā tāngata katoa o Aotearoa i tētahi kaupapa manapori hei whakahihitanga mā rātou.

Ehara taku toa i te toa takitahi, engari he toa takimano.

My strength is not the strength of one, but that of the collective.



Marie Shroff
Heamana



Jane Meares
Heamana Tuarua



Alicia Wright
Āpiha Pōti Matua

Letter from the Commissioners

Marie Shroff
Chair

This Annual Report covers the Commission's achievements against objectives from its 2019/20 - 2023/24 Statement of Intent and the performance measures and budget set out in the 2019/20 Statement of Performance Expectations.

Jane Meares
Deputy Chair

This year has been the first year of service for the two new members of the Commission's Board, Marie Shroff (Chair) and Jane Meares (Deputy Chair) both appointed in August 2019.

Alicia Wright
Chief Electoral Officer

The key focus of the period from 1 July 2019 to 30 June 2020 has been the intensive preparations required for the delivery of a highly complex general election. In addition to the two referendums to be held at the election, for the first time New Zealanders will be able to enrol and cast a valid vote on Election Day, and prisoners on sentences of less than three years will be able to vote. We also anticipated that the election in 2020 would see an increased demand from voters for advance voting services, and an increased volume of special votes. All these changes have had implications for our systems, supplies, processes and people.

Preparing for such a complex and large-scale event is a demanding task and has involved many people and projects. Additionally, in the latter half of this financial year, the likely implications of COVID-19 for delivering the election had to be quickly assessed and planned for.

We would like to acknowledge that the last few months of 2019/20 have been a challenging time for all New Zealand. In this environment, the staff of the Commission rose quickly to meet the challenges that the COVID-19 pandemic created. Working intensively under disrupted and difficult circumstances, staff thoroughly assessed the implications for delivery of an election in a pandemic environment. They redesigned operations to address health and safety issues to ensure we could deliver a service that both encourages participation, and maintains integrity. Our staff later readjusted plans again to accommodate the change of election date. They were able to do this successfully due to the excellent groundwork already laid prior to the pandemic.

We would like to offer our sincere thanks to all those people and partners who helped make this difficult year a success. We received tremendous support from the wider government sector in responding to COVID-19, and making the election process a success.

In particular, we give special thanks to Commission staff. Once again, our staff have shown their dedication to providing services that help ensure New Zealanders have a healthy democracy we can all be proud of.

Ehara taku toa i te toa takitahi, engari he toa takimano.

My strength is not the strength of one, but that of the collective



Marie Shroff
Heamana



Jane Meares
Heamana Tuarua



Alicia Wright
Āpiha Pōti Matua



Members of the board from left to right: Alicia Wright, Marie Shroff, Jane Meares

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Our year

Introduction

This report is a review of the Commission's financial and non-financial performance against our outputs, outcomes and strategic objectives during 2019/20.

It is the Commission's role under the Electoral Act 1993 to administer the electoral system impartially, efficiently, effectively, and in a way that:

- Facilitates people's participation in New Zealand's parliamentary democracy,
- Promotes understanding of the electoral system, and
- Maintains people's confidence in our administration of the electoral system.

We work in three yearly cycles that build towards a general election in the third year. This year was the second of the cycle – a year of intensive preparations as we set up the extensive infrastructure needed to run a national event of this size, while also delivering the ongoing activities and events that are part of New Zealand's robust electoral system.

Key activities focused on the 2020 General Election and referendums that were accomplished during the year included:

- Securing all 72 of the electorate headquarter properties required nationwide – in total 39,000m²
- Testing and simulating voting place set-up designs and processes – and then reviewing and adjusting to accommodate COVID-19 restrictions
- Appointing all 72 Returning Officers and their management teams (i.e. Logistics & Supplies and Recruitment & Rostering Managers), to begin setting up the electorates (e.g. managing local recruitment and starting to identify around 2500 potential voting places)
- Securing and importing all the paper required for ballot and referendum papers (123 tonnes). In total, 488 tonnes of paper were required for the election (e.g. voting papers, envelopes, enrolment forms, brochures, posters, electoral rolls, training and operational materials)
- Designing the approach to, and beginning recruitment of the 25,000+ temporary roles required for the election period (including additional staffing for COVID-19 management)
- Developing our information and education campaigns for electors, then reassessing and redeveloping in light of COVID-19 implications
- Re-planning the delivery of the election to account for COVID-19 - including revisiting our approach to delivery of voting services, revising training for electoral staff and changing our approach to on-the-ground community engagement and enrolment activities including introducing digital engagement opportunities
- Swiftly establishing a COVID-19 Incident Response Team that enabled the Commission to maintain business critical activities including information technology and finance functions, and ensure business continuity during lockdown and beyond

- Identifying additional service requirements under COVID-19 and commencing implementation work – including working closely with the Ministry of Health on safety protocols for voting places, health and safety and procurement requirements for delivering an election in a COVID-19 environment, and providing a safe voting service for voters in managed isolation and quarantine.
- Delivering an extensive programme of enhancements and refinements to our technology and systems including a significantly heightened cyber security approach.
- Successfully building and implementing a streamlined, user-friendly digital enrolment platform to help encourage early enrolment prior to the election.

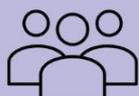
Other activities have included:

- Successfully delivering an enrolment update campaign for the local body elections in 2019
- Hosting and managing the Representation Commission (of which the Chief Electoral Officer is a member) in its redistribution of the boundaries for the 2020 general election
- Providing ongoing policy and legislative advice to the Ministry of Justice, Parliamentary Select Committees, and advice to political parties as requested
- Continuing to expand our international assistance programme, which provides technical support to electoral agencies in the Pacific (in association with MFAT under the NZ Aid programme). This work was converted to online delivery in the wake of Covid-19.
- Ongoing continuous maintenance of the roll, including registering electors and supplying electoral rolls to local authorities for the local body elections in 2019
- The allocation of money to eligible political parties for the broadcasting of election programmes and election advertising for the 2020 General Election.

COVID-19 impacted on our work significantly in the latter half of this year: in the way our staff were required to work, re-plan and re-prioritise, and in our ability to implement some of the activities scheduled for this year e.g. community engagement activities. But while this was an extraordinary and challenging year, we were able to meet or exceed almost all of our performance targets. The impact of COVID-19 on performance reporting is discussed further on page 36.

YEAR AT A GLANCE

YEAR 2 - BUILD AND SET-UP



OUR PEOPLE

109 permanent employees
9 Regional and Area Managers for Voting Services
72 Returning Offices
72 Electorate Headquarters Managers
Recruiting ~25,000 temporary election-period roles

The Commission's workforce grows significantly over the three year electoral cycle.

OUR PLACES

1 national office (Wellington)
16 permanent, regional enrolment offices
72 temporary electorate headquarters established for the election (43,642sqm total)



The Commission's physical footprint increases significantly as we move toward the election.



LOGISTICS & SUPPLIES

Over 488 tonnes of paper secured for election materials
~300 tones of supplies delivered to 72 electorate headquarters
~2,000,000 pens procured for voting places
COVID-response logistics and supplies in development

COMMUNICATION

3.67 million enrolment update packs sent to electors
44% enrolment transactions through digital channels
Two new websites
602 advisory opinions provided
Multi-channel information and motivations campaigns



HIGHLIGHTS

Keeping voters safe in a COVID-19 environment
Providing easy enrolment on election day
Successful delivery of the general election and two referendums
Delivering simplified, accessible digital enrolment



Intensive preparation – Year 2 of the electoral cycle

Trust in the electoral process is created and maintained by the delivery of well-run electoral events that encourage participation.

After the last general election in 2017, we looked hard at what worked well and what areas we wanted to change or improve. New legislative requirements also shaped what the election in 2020 would look like. GE2020 included the new opportunity for voters to enrol on election day, two referendums, the opportunity for prisoners with sentences of less than three years to vote, a large increase in demand for advance voting, and increased volumes of special votes¹.

Over the last two years we have worked on the implications of these changes and introduced some different ways of doing things. Due to the complexity of this election we began implementation of some plans earlier than for previous elections, which helped us respond to the unanticipated events of 2020.

We have also needed to respond to the complex challenges of the COVID-19 pandemic, which required a rapid and thorough assessment of all aspects of our service delivery both in terms of responding to the immediate incident as an organisation and for the delivery of our services to New Zealanders in the months to follow. This is discussed further in the COVID-19 section on page 28.

¹ A special vote is generally needed when someone is not enrolled or updated correctly at the time of voting, or when they cast their vote at a voting place outside of their electorate. They are more time consuming for the voter and take us about 10 times longer to process than an ordinary vote.

Key areas of focus during 2019/20

Improving safety and security

The Commission is operating with greater challenges than in the past around integrity of information and systems, as well as the safety of people, places and voting materials. Increased levels of safety and security (both physical and cyber) are of critical importance to the integrity of the election process. Electoral management bodies overseas have been targets for cyber-attacks, misinformation campaigns and international interference. Given international and national events of the recent past, including the Christchurch mosque attacks, New Zealand must not consider itself immune to such security risks.

During 2019/20 we ran a dedicated project stream in this area, which included:

- multi-agency collaboration with appropriate agencies and experts
- seeking international advice including from other electoral management bodies
- comprehensive threat assessments including physical safety reviews at both local and national levels
- improved security procedures and materials for properties, staff and voters.

Encouraging people to enrol and vote

The Commission puts a great deal of work into helping and encouraging people to participate in New Zealand's parliamentary democracy. Internationally, established democracies have seen formal participation waning, and this trend has also been apparent in New Zealand. Strengthening the participation of Māori, young people, Pacifica, people with disabilities and our new New Zealanders has been a focus for us over the last years, and in 2019/20 we increased our efforts in this area.

Engaging directly with communities and individuals is a key strategy in the delivery of public information and education to the public, both enrolled and un-enrolled, and one of our most effective ways of helping New Zealanders engage with our democracy. Our community engagement programmes foster relationships with communities to build trust, awareness and confidence in the electoral process, and break down barriers to participation. For many communities in-person engagement is the preferred way of engaging with us, however due to COVID-19, we needed to quickly develop and introduce new ways of working.

Key activities in this financial year have included:

- Development of a digital engagement approach, and local level content to meet community need within a COVID-19 environment. Our community engagement teams were empowered to create and share locally created social media content. We adapted to using video conferencing platforms and extending our reach of information through community networks - both digitally and in-person.

- Expansion and strengthening of our community engagement and enrolment programme – for Māori, Pacifica, culturally and linguistically diverse (CALD) communities and young people. This included development of a competency framework to support variation in the skills and strengths required for engagement with communities; recruitment of team members reflective of the local communities and their needs; expansion of our Youth Advocate programme in locations with Universities and higher numbers of youth, and recruitment of experienced advisors to identify opportunities specifically with Māori, Pacifica and CALD communities.
- Recruitment of the field staff needed to work with our target communities, who worked under the direction of the Registrars of Electors across New Zealand.
- Enabling staff to support and connect with communities through volunteering opportunities.
- Procurement of contracted organisations to support engagement with CALD communities.
- Close integration with our communications programme to ensure clear, helpful and relevant messaging was communicated to our communities
- Improving the ease and accessibility of the enrolment process through clearer guides, forms and communication, and greatly improved digital channels
- Focussed efforts to support enrolment expertise in voting places including experienced enrolment staff working in voting places

A key step in election preparations is the launch of a campaign to encourage people to enrol, or check and update their enrolment details. In June 2020, we extracted 3.27 million records from the electoral roll and sent these to NZ Post for the mailout of the Enrolment Update campaign.

To prepare for the intensive work required to process the increasing volume of enrolments, we established three data entry teams in Auckland, Lower Hutt and Christchurch. These teams were in place until after the election to ensure enrolment processing happened swiftly.

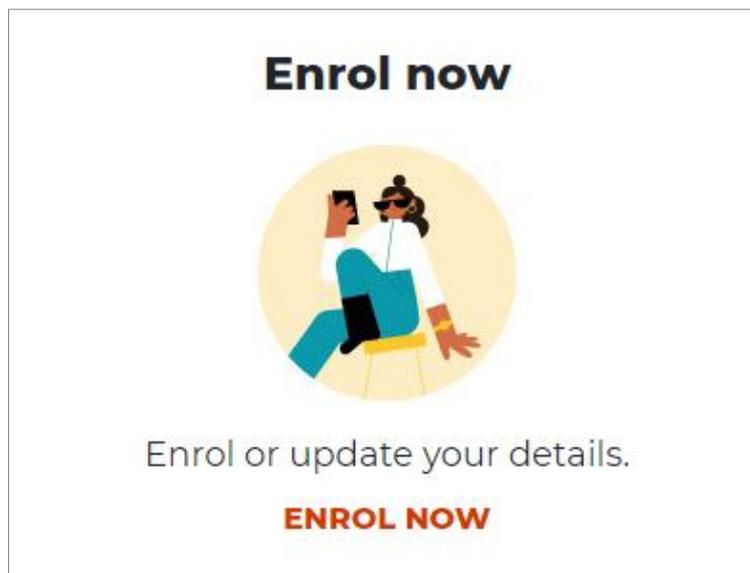
In an excellent example of cross-government collaboration, the Department of Internal Affairs provided staff from their passport processing team (who were available due to COVID-19 travel restrictions) to work with us on enrolment processing.

Digital enrolment

Voters rightly expect to be able to enrol or update their enrolment details online with minimal effort. In the past this has been a cumbersome process with low uptake. During 2018 and 2019 the Commission developed a much more accessible digital enrolment service that lets electors use their driver's licence or passport number as proof of identity as well as the previous RealMe method. Being able to enrol or change enrolment details easily online will have the benefit of reducing the number of special votes, easing pressure on voting places and streamlining election processing.

This new service has been very popular with New Zealanders. During this financial year 19% of our enrolment transactions took place through digital channels, compared with our target of 15 per cent. In the final month of 19/20, 43% of enrolment transactions were digital.

We will continue to increase our target for digital enrolment transactions as we implement and refine our digital channels.



Communicating with New Zealanders

It was important to set expectations with the public and our own staff about the COVID-19 measures at voting places this election. In May we went out to the public through media and social media engagement to let voters know what voting would be like this election and we set up a dedicated COVID-19 page on our website, [vote.nz](https://www.vote.nz) to keep the public informed.

By the end of June 2020, a comprehensive public education and information campaign had been developed, advertising campaigns on the election and referendums were scheduled for delivery, and stakeholder information was ready to be sent to community groups and other agencies at the start of the enrolment update campaign.

Continuous advertising that provided enrolment reminders to people moving house or turning 18 began in November 2019, and the election and referendum advertising started at the beginning of July 2020 across multiple channels including television, radio, billboards, newspapers and online.



The Commission's Orange Guy gained a new friend this year in Pup the dog

Orange Guy delivers important messages about enrolling and voting and, for this year's campaign, information about how to take part in the referendums. The new character of Pup was added to lighten the delivery of these messages to make information accessible to more voters.

Our motivation and education campaigns were designed to encourage those who are less likely to enrol and vote - particularly young people, Māori, Pasifika and new New Zealanders - to take part in the general election and referendums. We drew on audience research about voters and non-voters to develop an approach to reach these audiences by addressing some of the reasons that they may not participate in elections. We developed campaigns around key themes and worked with media partners and social media influencers to create content that would connect with each audience from the end of July 2020.

We also reached out to schools to encourage them to take part in the Commission's education programme, Kids Voting – Te Pōti a Ngā Tamariki. By the end of June 2020, we'd received a good level of interest with more than 400 schools registering to participate.



Youth campaign advertising banner

New websites

To make our website easier to access and use, and the content more informative, at the end of June 2019 we replaced elections.org.nz with two new websites, vote.nz and elections.nz.

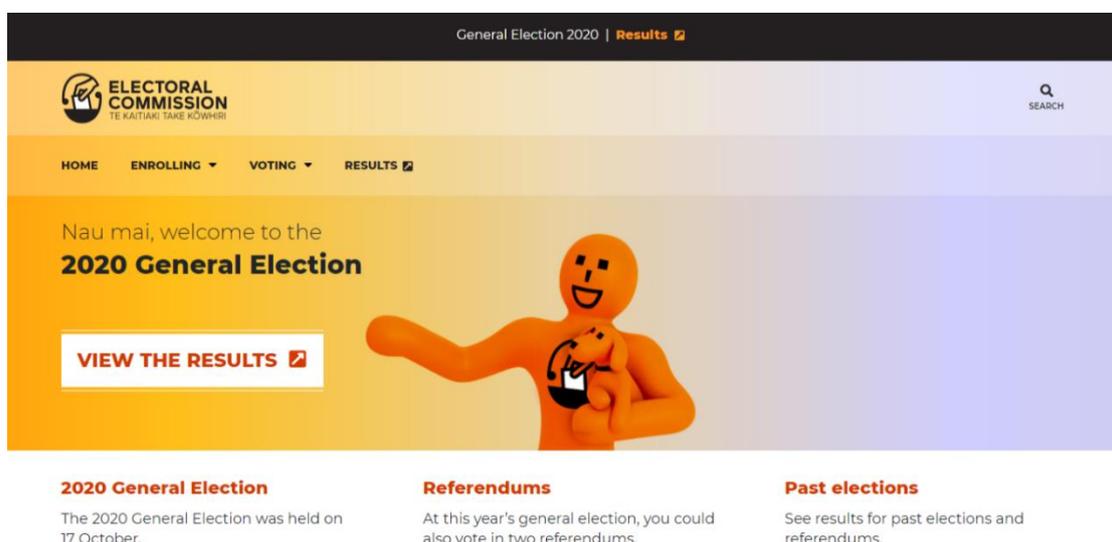
Vote.nz contains simplified information and helps people to check their eligibility to vote, enrol to vote, or check that their enrolment details are up to date.

Elections.nz contains background material on the electoral system, election rules and results, enrolment data, and the role of the Commission. We launched the websites in June 2019 and have continued to update and expand the sites during this year.

Vote.nz also provides the portal for our digital enrolment service. We see this as the Commission's "front door" – a place where New Zealanders can access everything they need to know to help them enrol and vote in the election and referendums.

At the end of June the vote.nz website moved into campaign mode in preparation for providing election specific information to increasingly large numbers of site visitors.

Content on the website changed over the course of the campaign to make sure that voters got the information they need at the right time.



Guidance for political parties, candidates and third parties

A core group of stakeholders for the Commission are political parties, candidates wishing to stand at the election and third-party promoters. Throughout the electoral cycle we give advice to these groups and any others who approach us about electoral matters. We are often asked for our view about whether an advertisement constitutes an election advertisement under the Electoral Act 1993. In 2019/20, we received requests for 602 advisory opinions, and responded to over 99% of these within 5 business days.

In the leadup to the election we produce guidance material for stakeholders, and the first editions of this were made available in March of this year. It included guidance for candidates, parties and third-party promoters on electoral advertising, campaigning and expenses, and electoral administrative processes. Subsequent editions were released to account for the implications of COVID-19 and the change of election date.

Preparing for the referendum(s)

At the same time as the general election, in 2020 there will be two referendums on the topics of cannabis and end of life choice. During 2019/20 we identified and implemented operational changes related to the referendums. This included changes to IT systems and processes, and resource requirements such as staff numbers, to ensure the smooth running of voting places. We have been working closely with the Ministry of Justice in the area of voter awareness and information on the referendums.



Centralising overseas, dictation and remote voting

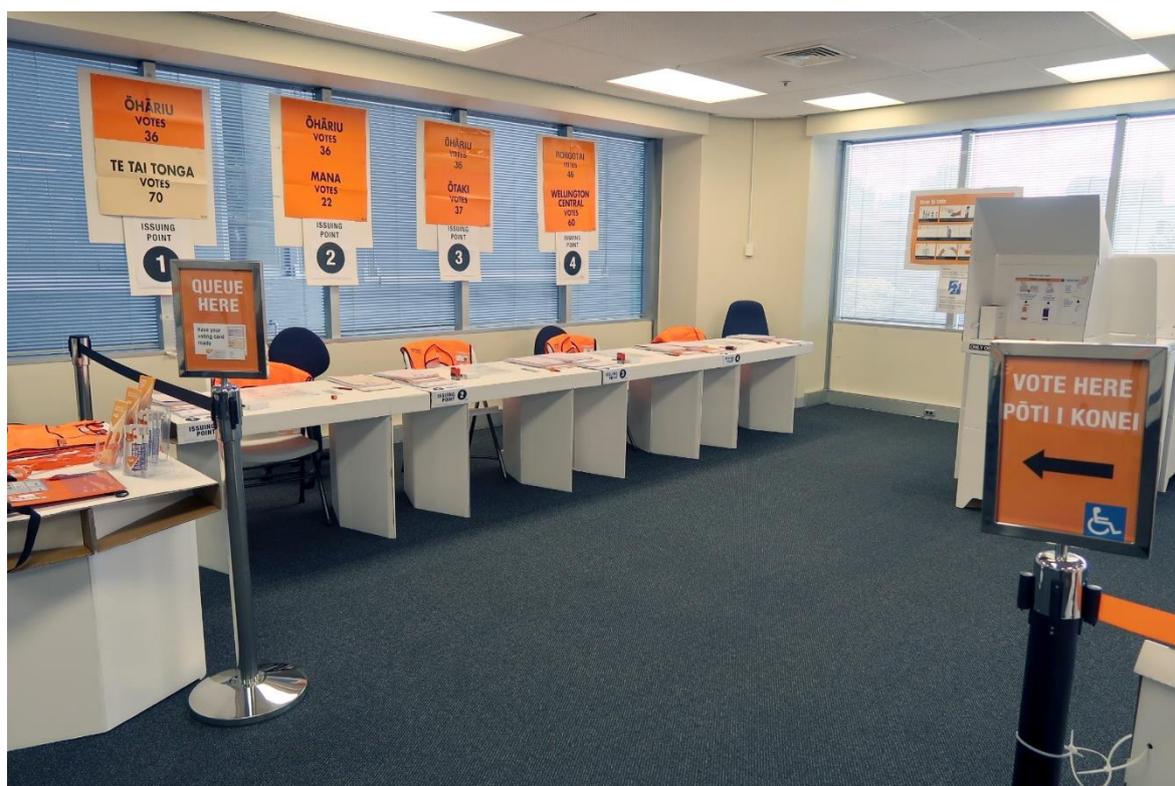
During the year we made changes to how we manage voting from overseas, dictation voting and voting from remote locations. This has been a significant project with the goal of improving the processing, security and management of an increased number of special votes from these sources at the 2020 general election. As well as improving the integrity and security of how we manage overseas votes, this will help relieve pressure on electorates as they complete the official count.

Simulations and testing programme

We conduct tests and simulations of various scenarios, systems and processes in preparation for each general election. Information from the tests helps us in a range of ways including determining the best set-up and lay-out of voting places, and the numbers of staff we will need to maintain good service levels for voters. As we move closer to the election, we hold dress rehearsals to trial end-to-end processes.

Our first test in 2019 identified the rate at which we could issue votes (including referendum papers) in small and standard sized voting places. We also held successful simulations of our new centralised approach to overseas and dictation voting, and a further vote-issuing simulation in December. This included testing the usability of new digital devices to help with enrolment in the voting place. The first of our dress rehearsals was in February where we rehearsed the delivery of our training programme for Returning Officers.

COVID-19 has had significant implications for our testing programme given the redesign to our processes, including the need to move to larger voting spaces, and reorganise the physical lay-out of voting places to reduce congestion and increase physical distancing. We had to recalibrate our testing assumptions and re-set our testing programme in response. We involved the Ministry of Health in this testing to ensure our processes were aligned with public health COVID-19 protocols.



Voting place simulation

Recruiting and training an “army”

Successful delivery of a general election relies on the efforts of an army of temporary staff. For the October 2020 election we needed over 25,000 staff to work at election day, advance voting places, and electorate headquarters and to provide data entry, background processing and administration support. This included the additional staff we needed to implement health and safety procedures related to COVID-19.

Recruiting and training these staff was an enormous undertaking during 2019/20.

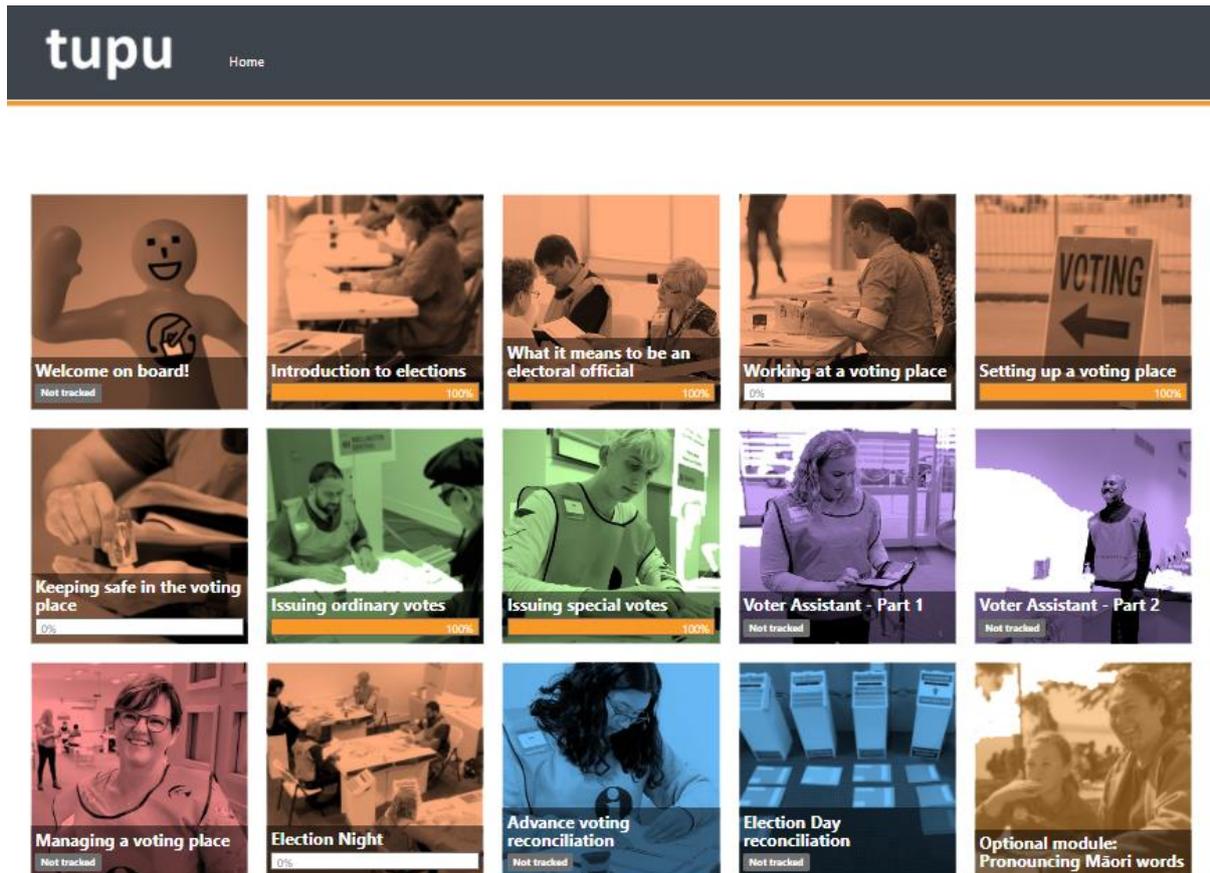
We redeveloped our online recruitment system to make it easier to use, including access for mobile devices. We began a recruitment advertising campaign that ran from June to August 2020 to make sure we had the number of people needed to give voters a good service. We made extensive use of the Commission’s community engagement networks and processes to help get the word out throughout New Zealand about the roles available. The Commission has also worked alongside other public sector agencies to identify staff to work before, on or after election day.

At the end of June 2020, we had received applications from around 22,000 people for the estimated 25,000 temporary roles required during the election period.



Development of the training programmes for election staff has also been a substantial project lasting many months. Training was delivered face to face and online, and required substantial resourcing including training of the trainers, developing printed materials and tools, filming of training videos and development of e-learning modules. Training was rolled out in tranches as staff came on board, beginning with the successful delivery of 4 days of national training for 72 Returning Officers and contingency staff in early March 2020 – just before lockdown.

The pandemic had a significant impact on the planned delivery of face-to-face training for electorate staff, and the Commission’s training team had to re-plan and redesign training programmes in very short timeframes to accommodate more extensive online delivery.



Tupu: Our online learning resources for voting place staff

Logistics, supplies and properties

As well the army of staff, a general election requires the set-up of a robust nationwide infrastructure that includes properties, communication systems, IT systems, supplies and storage and delivery networks. A key focus in 2019/20 was on setting up this infrastructure.

- All the properties required for the 72 electorate headquarters were secured in this year, totalling just over 39,000m². We thoroughly assessed these properties for suitability including space, security and health and safety requirements.
- Returning Officers worked in their electorates to assess possible sites for voting places and advance voting places. This included visiting key partnership locations e.g. The Warehouse, PakNSave and shopping malls. However, our intention to use high-volume/small-space areas was reassessed due to COVID-19. In addition to standard suitability, staff needed to find voting places that fitted within the COVID-19 Alert Level 2 requirements developed during lockdown. These spaces needed to allow for physical distancing and appropriate health and safety protocols. Finding these locations needed intensive work under short timeframes.
- By the end of this 2019/20, all the paper and cardboard required for printing ballot papers and other voting materials were in storage in New Zealand², and the printing of referendum papers had begun. Other election supplies had arrived, and over 300 tonnes of material was being delivered to the electorate headquarters including other stationery items, security supplies and personnel equipment.
- In total around 488 tonnes of paper will be required for the election including ballot and referendums papers, Easy Vote packs, polling place brochures and posters, electoral rolls, enrolment forms, manuals, guides and training packs.
- Responding to the pandemic required us to work intensively to source other essential supplies such as Personal Protective Equipment, hand sanitiser and pens in very large volumes. We stood up a specialist Health and Safety project team and have worked with the Ministry of Health to ensure our response met COVID-19 requirements.
- IT infrastructure requirements to support the 72 electorates are extensive. By the end of 2019/20 all significant hardware had been procured - despite global supply constraints - and had been delivered to key field sites.

² Such large volumes of paper are needed that supplies are sourced internationally as well as domestically

Technology

Information Technology is a key part of the infrastructure that enables the Commission to meet its statutory obligations. In 2019/20 we made a number of significant advances in this area including the work required to support digital enrolment, software enhancements for voter registration, substantial cybersecurity advances, and device and infrastructure modernisation. These included:

- Implementing significant security improvements with the introduction of ‘best of breed’ tools (that serve a specific need or niche within the Commission) and enhanced protocols to protect our key electoral systems
- Commissioning extensive Certification and Accreditation of our core GE2020 applications
- Working on strengthening our applications and infrastructure with a focus on protecting against Denial of Service attacks
- Developing a new application called eRoll for Voting Place and Community Liaison staff so they could easily check the enrolment status of voters against a live version of the Electoral Roll
- Providing field staff with more technology than ever before to help them in their roles
- Establishing a single unified network with more end-users than ever before, in the context of an ever-increasing technology threat environment and the COVID-19 pandemic.

Services to Māori voters

We made a commitment in 2018 to actively engage and deepen relationships with Māori communities as part of our review of existing services and planning for 2020. We held a series of kōrero with Māori communities around the country to better understand Māori experiences of enrolling and voting, what works to encourage participation, and how services to Māori can be improved.

We have continued working with communities and had meetings in Huntly, Kaiti (Gisborne), Manukau, Henderson, Taupo, Invercargill, New Plymouth, Whanganui, Rotorua, Whangarei, Highbury (Palmerston North), Christchurch, Dunedin, Porirua-Kapiti, Napier-Hastings, and Wairoa.

Some of the feedback included:

- A desire for input into voting place selection and voting times to ensure they meet the needs of their communities
- Willingness to work more closely with the Commission around voting place locations and recruitment
- A desire for enduring relationships with community advocates, Returning Officers, Registrars of Electors and other Commission staff
- Support for increased use of marae as voting places
- Suggestions on how to make voting places feel like a more welcoming environment
- How better pronunciation and understanding of te reo Māori can improve voter experience
- How to improve signage so that voters know where to queue
- Need to increase awareness in Māori communities about recruitment processes and how to access the Commission's systems to apply for jobs
- Better staff understanding of enrolment and voting processes for Māori and general rolls.

Based on the feedback received, we worked to:

- Recruit staff in voting places to better reflect local communities
- Increase the number of te reo Māori speakers working in voting places
- Ensure our decisions about locations and opening times for voting places took better account of the needs of local communities
- Train people working in voting places to emphasise information on the general roll and the Māori roll, improve te reo Māori pronunciation, make sure each voter is issued the correct voting paper, and offer enrolment services to anyone who may not have been enrolled
- Add additional enrolment expertise in voting places to assist people with Māori roll and general roll enquiries.

For 2020, we had more than 25,000 election workers. We worked with our community networks to encourage recruitment in Māori communities both by making people aware that there were jobs in voting places, and by encouraging people via those networks to apply.

In addition to improved enrolment services in voting places, we revised the enrolment form and our new “It’s Easy” video to make our information more accessible, and improve information about the right of Māori voters to choose whether to be on the Māori roll or the general roll when first enrolling, or during the Māori Electoral Option.



Te Reo recruitment advertisement

To encourage enrolment and voting in Māori communities we have a network of community engagement advisers and youth advocates. Their primary role is to engage with their communities and to harness the goodwill and interest of Māori influencers to motivate participation in elections. A key goal of this activity is not only to increase participation but to engage with communities to give people greater levels of trust and confidence and to help people feel comfortable and empowered before voting starts.

During the voting period, we deployed community liaison staff to provide additional enrolment expertise in voting places to assist people with Māori roll and general roll enquiries.

There are many examples around the country where we have worked with local communities to identify locations and people to deliver voting services in their local community. In response we increased the availability of voting services in key areas and locations. For example, there were 77 voting places in Te Kura, Marae, Kōhanga Reo, Te Rūnanga, and Te Wānanga (see map below).

This year also, for the first time, there was a bilingual voting place where staff were able to take people through the voting process in te reo Māori. This was a community initiative led by Te Wharekura O Rakaumanga in Huntly and supported by the Electoral Commission.

Voting took place in the whare matauranga, Te Hokioi, which is located within Te Wharekura O Rakaumanga school complex, with community members and past pupils who are fluent te reo Māori speakers delivering voting services to their local community.

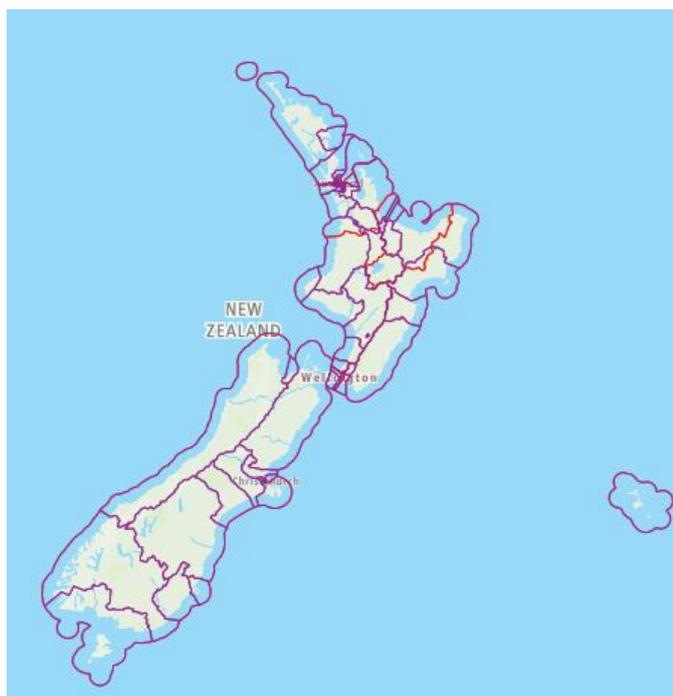


Map of the 77 voting places located in 2020 at Marae, Te Kura, Kōhanga Reo, Te Rūnanga and Te Wānanga

Electorate Boundary review

The Representation Commission is an independent body that reviews the boundaries and names of New Zealand's electorates to ensure fair distribution of the population across electorates. During 2019/20 the Electoral Commission hosted and supported the work of the Representation Commission over eight months as they undertook their review of the electorates following the release of data from the 2018 census.

Stats NZ and Land Information New Zealand also provided support to the Representation Commission during deliberations. The Representation Commission's report with the final electorate boundaries was released in April 2020.



Prisoner voting

At the end of June 2020, legislation was passed enabling prisoners serving sentences of less than three years to vote in parliamentary elections, including the general election of 2020.

During the latter part of 2020 we worked with the Department of Corrections to develop systems, processes and materials to support this change, and provide enrolment and voting services. This included planning to provide voting services in each prison supported by mobile voting teams from the electorates.

Broadcasting allocation

The Commission commenced the broadcasting allocation process on 3 February 2020 by publishing notice in the Gazette that required parties to give notice by 28 February 2020 that they considered themselves eligible for an allocation. Following the withdrawal of two unregistered parties, 19 parties remained.

Prior to making the allocation decision, the Commission invited submissions from parties as to how the Commission should apply the allocation criteria in the Broadcasting Act. As a result of the COVID-19 Alert Level restrictions in place, at the request of some parties, the timetable for written and oral submissions from parties was extended to ensure that all eligible parties had a fair opportunity to be heard. Seventeen parties made written submissions. Fourteen parties requested the opportunity to make oral submissions. Hearings were held by the Commission remotely using teleconference and videoconference, in early May.

The allocation decision was issued at the end of May and allocated \$ 4,145,750 (GST incl) to the 19 eligible parties. After final registration requirements were applied in September, 15 parties

remained eligible and the funding redistributed amongst this 15.

Collaboration

The Electoral Commission works with a wide range of agencies across the state sector. We receive advice from agencies and also work closely with them to make sure the roles and responsibilities around electoral events that are shared across the sector, are well understood.

While the Commission is responsible for delivery of electoral events, many of these agencies play key supporting roles.

For the 2020 General Election, a Senior Officials' Committee for the General Election was created, including the Ministry of Justice, Department of Prime Minister of Cabinet, New Zealand Police, and the national security agencies. Close coordination has also been established with the Ministry of Health around the implications of COVID-19 and subsequent planning for revised, safe voting arrangements.

At an operational level, it is very important that we coordinate with other agencies in areas such as incident response and emergency management. During this period, the Commission chaired a Risk and Security Working Group, including agencies with representatives on the Senior Officials' Committee, but also those with key operational links such as the National Emergency Management Agency and New Zealand Transport Agency. Working with these agencies has given us key insights into our risk management approach and contingency plans development. They have supported us in the development of appropriate mitigation responses (e.g. COVID-19).

We have also worked with a wide range of agencies and community groups to make sure we develop effective strategies for connecting with electors. This has included the Office of Ethnic Communities, Ministry of Pacific Peoples, Deaf Aotearoa, Citizens Advice Bureau, Women's Refuge and other agencies.

The Commission also engages directly with agencies in a range of other areas, including the Department of Corrections on prisoner voting; the Ministry of Foreign Affairs and Trade on overseas voting; the Department of Internal Affairs for Local Body Elections; the Ministry of Education for school programmes, and Statistics New Zealand for the review of electorate boundaries.

We have an enduring relationship with the Ministry of Justice which includes the monitoring relationship between the two agencies, as well as close connections in the areas of electoral policy, and statutory and line reporting.

COVID-19

Incident Response Team

New Zealand went into lockdown at Level 4 of the pandemic on March 26th 2020. The Commission quickly stood up a COVID-19 Incident Response Team and our staff began working from home just prior to the formal announcement.

This team rapidly assessed safety and infrastructure needs to ensure that the Commission could maintain business critical activities and business continuity. This team worked under very tight timeframes to deliver the support needed, with a key focus on developing communications, ensuring staff safety and well-being, as well as providing access to the tools and systems that the staff needed to keep working. They also identified critical stakeholders and community groups to ensure we understood what they needed from us.

Remote logistics

The Electoral Commission was identified as an *essential service* and we needed to continue with the majority of our work while working remotely. We had not previously trialed remote working en masse and had to rapidly adjust to working in different ways. In addition to the implications for GE2020 that needed to be assessed and planned for (discussed below), staff faced specific challenges during this time.

Teams worked under extreme pressure on the logistics needed for our people to work remotely including setting up networking and video-conferencing facilities and supplying the equipment that enabled staff to communicate with each other and access Commission information and systems within the first days of lockdown.

Connecting with our communities

The restrictions of the different Covid-19 Alert Levels had a significant impact on our activities during critical community engagement periods as events were cancelled and the country moved into lockdown. Our school engagement activities for example ceased for a number of months and this can be seen in a drop in the provisional roll rates for 17-year-olds (page 40). Our Community Engagement teams moved quickly to find alternative ways to engage during this time and developed various alternatives such as creating and sharing locally created social media content and connecting with people using digital platforms.

With the lifting of alert levels, we began to recruit and strengthen our community engagement teams again in preparation for a strong schedule of activities.

Impact on election delivery

Our approach to the delivery of the election that had been planned and largely built, had to be adjusted following the outbreak of COVID-19. The staff involved in election planning needed to move swiftly to respond to the implications of the pandemic and worked exhaustively to identify solutions to the problems raised. We also had to postpone or re-prioritise some workplans in order to respond to the new operational requirements.

Our staff began assessing the implications of COVID-19 for enrolment and voting services in March 2020. The key principle guiding this assessment was that the election must be safe for all staff and voters to participate in, and all voters must be able to access services, even if they are unable to get to a voting place.

We looked at various scenarios and options, and a revised approach was agreed in late April 2020. We have worked with the Ministry of Health on the protocols and personal protective equipment (PPE) we need to make voting places safe for our people and for voters. This includes queue management and physical distancing, as well as using hand sanitiser and protective gear.

Our planning has been based on delivering the election under a nationwide Alert Level 2 for COVID-19.

Our plan was to take this approach even if Level 1 was in place at the time of the election. This is because the logistics involved in delivery of a national electoral event are complex and large scale, and changes to the approach can have significant implications for many aspects of delivery, including risks to quality, integrity and costs. Contingency plans were also developed for delivering services to small clusters of voters at Alert Level 3 or 4 if they were in small, localised areas.

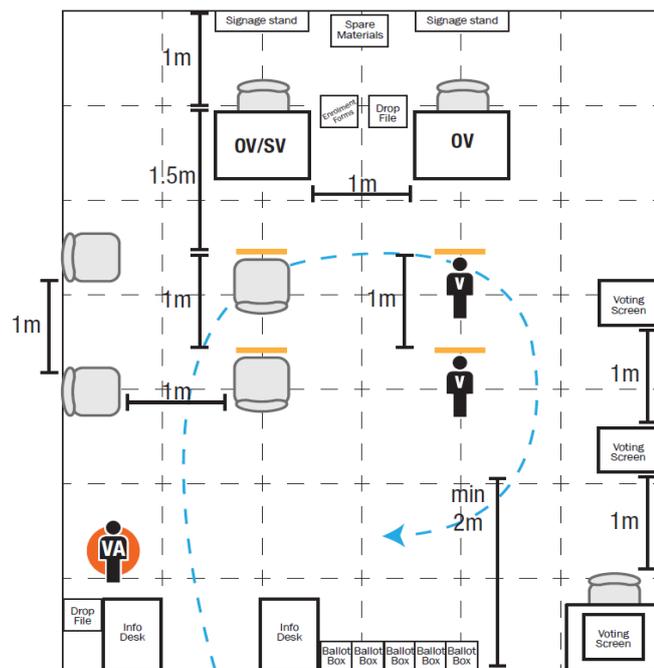
Making voting safe

Our revised voting place plans included:

- starting advance voting two days earlier to spread voting over a longer period and to reduce congestion in voting places,
- increasing the number of advance voting places, especially on the weekend before election day,
- using larger venues where we can to give voters more space
- encouraging voters to vote early.

It is important that people who face physical or health barriers, which limit their ability to access a physical voting place have options to access enrolment and voting services (e.g. those in quarantine/isolation, in rest-homes or hospitals or those who are unwell).

As at previous elections, there were alternative ways of voting for people in this situation, including postal and takeaway voting.



Voting Place layout incorporating COVID-19 safety measures

Meeting our objectives

In addition to the preparations required for the upcoming general election, the Commission has a range of additional and ongoing services it provides that help us fulfil our strategic objectives and outcomes. These include:

- registering electors and maintaining the electoral rolls
- promoting public awareness of electoral matters
- conducting by-elections and referendums as and when required
- administering compliance with electoral laws by making information available, including advisory opinions, to assist political parties, candidates, and third-party promoters to meet their statutory obligations with respect to electoral matters
- registering political parties and party logos
- considering and reporting to the Minister and to the House on electoral matters, including the provision of independent, high quality advice on proposed or desirable changes to electoral laws
- filling any party-list vacancies as and when they arise.

Keeping the electoral rolls up-to-date

We have systems in place to continuously update the rolls as people enrol for the first time, change address or update their details in some other way. We have 16 regional offices staffed by 16 Registrars of Electors and 30 deputies, who help compile and maintain the electoral rolls in order to be ready for general and local body elections, and any by-elections and referendums.

The average number of people on the electoral roll in 2019/20 was 3.26 million against our performance target of 3.24 million. At the end of the year, 3.28 million electors were on the roll.

Further information on enrolment rates is provided on page 40.

Digital and in-person enrolment activities

Community engagement activities were delivered throughout the year. This included the drive for enrolment updates and new enrolments, and the work to reduce barriers to participating in our democracy by strengthening our connections at local and national levels. The continued efforts placed on connecting with communities to build trust, confidence and goodwill is important to support this objective, and the reach of key messages across, and throughout local communities.

In-person engagement is preferred by many of our target communities and is particularly important for New Zealanders who do not have digital access; digital engagement is an excellent way of connecting with others.

During the year, our teams continued to plan and engage with communities in varied ways and places such as webinars with the Youth Councils and Leaders forums, hundreds of school engagements including Kura Kaupapa, connecting with families in rural and isolated towns, meeting with university student associations, working with DHBs and whānau ora providers, supporting distribution of multi-lingual resources and hosting presentations in multiple languages, connecting with homeless support groups and organisations, Women's Refuge, workshops with deaf communities and more.

The local body elections provided our teams with an opportunity to prioritise connecting with key partners and local councils in advance of the General Election. Our community engagement teams also attended nearly 700 community activities nationwide including events, presentations and other activities at locations such as supermarkets, Correction Centres and The Warehouse.

Policy advice and guidance

We provided policy advice and guidance on a considerable range of matters during the year, including foreign interference, development of the Electoral Amendment Bill, the referendums' framework legislation, and accessibility of referendum materials and processes.

We have provided advice and guidance during the year through:

- acting as advisors on the Electoral Access Fund Bill
- acting as advisors and providing support to the Justice Select Committee review of the 2017 general election and 2016 local body elections
- appearing before the Select Committee on the Review of the Annual Report of Electoral Commission
- working closely with and providing advice to a range of government departments and agencies, especially the Ministry of Justice.

Local body elections

We provide local councils with roll data every three years so they can prepare voting papers for local body elections. In 2019 we provided 68 councils with up-to-date roll data.

To encourage New Zealanders to enrol or update their enrolment details for the local body elections, we undertook a range of activities. In July 2019, we posted out 3.3 million information packs to enrolled voters. We also developed an advertising campaign involving TV, radio and digital channels to draw attention to the need to update enrolment details, and collaborated with councils to raise awareness and get as many people as possible signed up for the elections in October. We also sent an SMS txt to people on the dormant roll (i.e. gone no address) to encourage them to update their details. Our on-the-ground enrolment teams attended many community activities.

Following this activity, we processed 288,000 enrolment forms for new or updated enrolments.

International engagement

The Commission participates in networks with electoral management bodies from other democracies with similar electoral systems, leveraging opportunities for sharing electoral expertise and investigating enhanced techniques for conducting electoral events. These include an exclusive network with Australia, Canada and the United Kingdom, and another between the federal and state electoral commissions of Australia and New Zealand. The Commission is also a member of a regional network of Pacific national election management bodies.

The Commission hosts a range of visiting delegations and study tours, in association with the Ministry of Foreign Affairs and Trade (MFAT) and/or Parliamentary Services, and provides election-related briefings for the Diplomatic Corps based in New Zealand and pre-departure briefings for New Zealand Diplomats posting overseas.

In partnership with MFAT, the Commission provides electoral assistance programmes to Pacific electoral management bodies. Current programmes are in Papua New Guinea, Bougainville, Fiji, and Tonga, with the most recent significant contribution to the successful conduct of the recent Bougainville referendum on independence. The electoral assistance programmes are funded under the New Zealand Aid Programme. Additionally, on request and with MFAT approval and funding, the Commission provides ad hoc support for other Pacific elections – for example, the provision of essential election supplies.

COVID-19 meant that international travel was suspended in the latter half of 2019/20. However, we have continued to provide remote support to partner Electoral Management Bodies and attend network meetings via video-conference. In place of our usual Election Visitor Programme during GE2020 we delivered a virtual programme.

Stabilising funding for the future

The Commission's operations and delivery of the general elections have historically been funded by a partial baseline allocation. This provides a proportion of our funding through baseline allocation, with the remainder dependent on contestable budget bid rounds. This places the Commission in a difficult position where the total amount of funding for an electoral cycle is not typically known until part way through Year 2 of the three-year cycle. This inhibits planning both in the short and longer term.

We have been working with the Ministry of Justice and Treasury to put in place a more stable funding approach for the Commission for the future. This work continues in 2020/21.

Our people

Ngā Uara / Our Values - TAUMATA

During the year, we conducted a significant piece of work to define the values of our organisation in a meaningful way.

In defining our values we looked at the activities and aspirations of the Commission and drew on Mātauranga Māori /Māori knowledge. This led to the development of the *Taumata* values framework, which was created through broad, in-depth consultation with staff.

Our Values / Ngā Uara are underpinned by the concept of *kaitiaki* and *kaitiakitanga*: guardianship.

The framework is both descriptive and aspirational and paints a picture of who the Commission is now, and who we'd like to be:

Tūhonotanga: Bringing people together to increase participation in democracy.

Aratakina: Guiding towards greater understanding.

Uakaha: Being dynamic and energetic in what we do.

MAnaakitanga: Demonstrating generosity and empowering people.

TikA: Doing things right; doing the right things!

The framework was launched Commission-wide in March 2020 - just prior to moving into lockdown. This had a significant impact on our ability to establish the framework and embed it.

Our intention is to continue to integrate the framework at the beginning of 2021, as we continue to enhance our organisational and cultural capability.



Key organisational activities undertaken during the year included:

- the launch of a more comprehensive induction programme for new staff,
- further implementation of recommendations of a 2018 independent review of our capacity and capability,
- continued training and development of staff, including on-the-job, in classroom, e-learning and project management training,
- continued cultural knowledge and diversity training, including tikanga and te reo Māori training,
- significant development and the start of delivery of training to the ~25,000 temporary election period workforce.

Good employer commitment

We promote equal employment opportunities in our recruitment, development and management practices, and are committed to being a good employer and employer of choice. We value our diverse workforce, our inclusive culture and our commitment to equality. The following policies and process are building blocks of our good employer commitment:

- Striving to ensure our workload is fairly spread among staff.
- Running transparent and impartial recruitment processes.
- Operating a comprehensive induction process.
- Providing extensive induction training, followed by equal access to development and advancement opportunities.
- Developing and reviewing individual personal development plans.
- Offering flexible working hours so staff can balance work and home commitments.
- Providing workplace facilities that are suitable for disabled staff and visitors.
- Having a transparent remuneration system, providing a top-up to government-paid parental leave, offering study leave, and reimbursing professional fees.
- Having – and enforcing – anti-harassment, anti-discrimination and anti-bullying policies.
- Providing a safe and healthy work environment through employee assistance programme services, free flu vaccinations, eye checks and optional stand-up workstations.

Workforce profile

Permanent staff as at 30 June:

| | | 2019 | 2020 |
|--|------------------------|------|------|
| Staff numbers | Permanent Staff | 113 | 109 |
| Gender | Female | 73% | 70% |
| | Male | 27% | 30% |
| Age profile | <30 years | 6% | 5% |
| | 30-39 Years | 18% | 20% |
| | 40-49 years | 32% | 24% |
| | 50-59 years | 27% | 32% |
| | >60 years | 16% | 19% |
| Length of service with the Commission and its predecessors | <3 years | 37% | 28% |
| | 3-10 years | 32% | 42% |
| | >10 years | 31% | 30% |
| Staff turnover | Percentage | 12% | 6% |

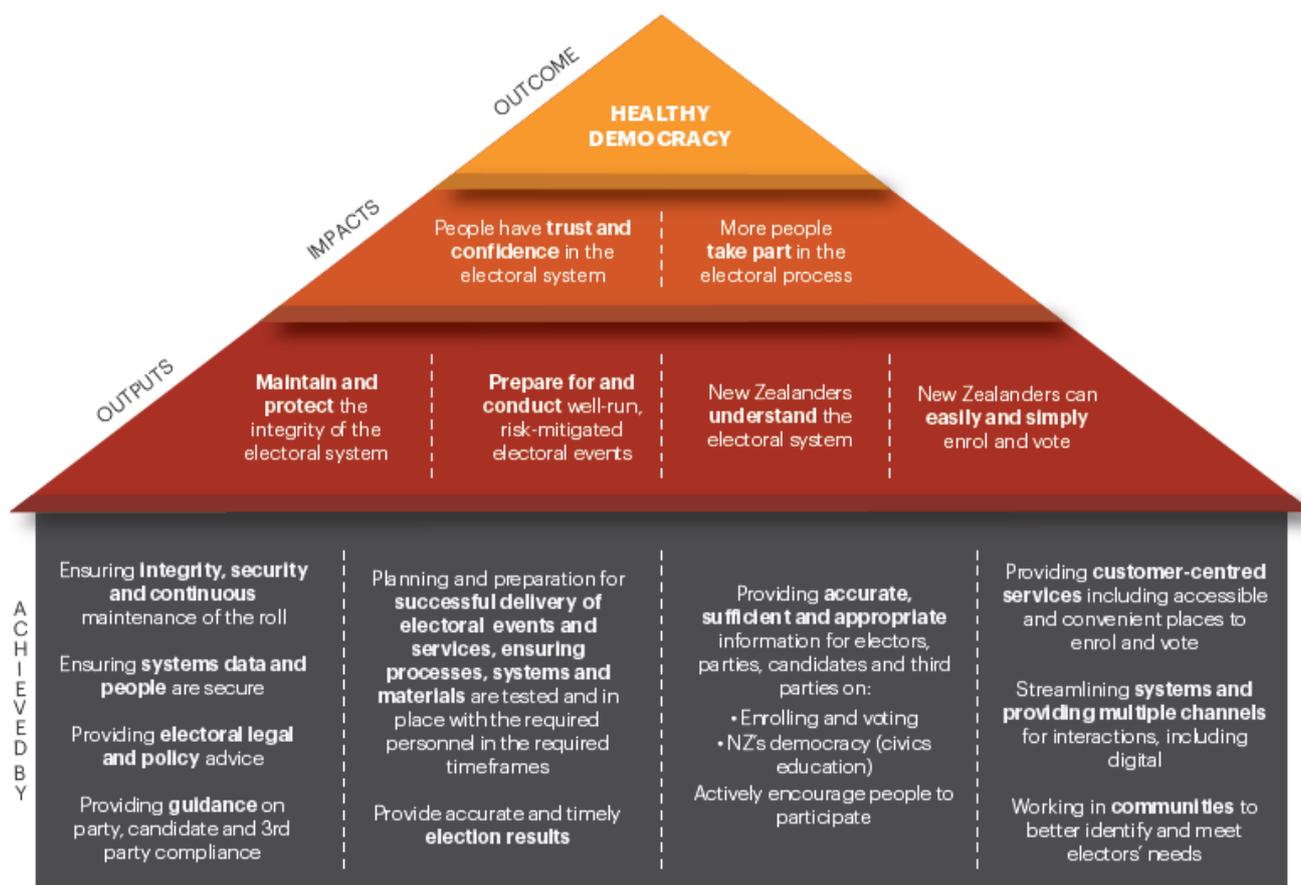
NB: The Commission is adding ethnicity data to our HR/payroll system and will include comprehensive reporting on ethnicity - in line with StatsNZ guidelines - in 2021.

Performance measures

Performance measures

The Commission’s primary aim is to meet our statutory obligations under the Electoral Act 1993, Referendums Framework Act 2019, and Electoral Regulations 1996, to administer the NZ electoral system impartially, efficiently and effectively, in a manner that: facilitates participation in parliamentary democracy, promotes understanding of the electoral system and maintains confidence in the administration of the electoral system.

This diagram, from the Commission’s Statement of Intent 2019/2020 – 2023/2024, illustrates the Commission’s performance framework. The performance measures reported in the following pages were developed based on this framework.



Non-financial Performance as at June 2020

Results in **green font** are at or above target levels; results in **brown font** are below. Commentary on each set of outputs, is included below each section where required.

Output 1 – Maintain and protect the integrity of the electoral system

| Measure | Current Status | Target 2019/20 | Previous Reporting Period |
|--|--------------------|----------------|---------------------------|
| a. Percentage of accuracy of electoral roll [data] (determined by independent research & reported annually)* | 95.2% (2020/21) | 85%+ | 88.7% (June 2019) |
| b. Adherence to the Commission's quality assurance practices around integrity of the roll | 100% | 100% | 100% (October 2019) |
| c. The Commission will follow up failures by a party, candidate or third party to file any relevant return of election expenses, donations or loans within 5 working days. | 100% | 100% | (new measure) |
| d. Allegations of breaches of the Electoral Act are acknowledged, and follow-up is initiated, within 10 working days of receipt | 100% | 90% | (new measure) |

*Note: Measure included in the Commission's Estimate of Appropriations

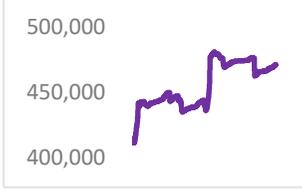
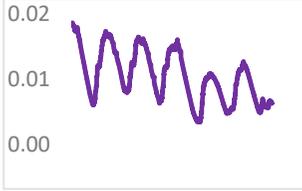
Commentary on Output 1:

1a. The research that provides data for this measure was postponed due to impacts of COVID-19. This pushed the research into the 2020/21 year. The research was conducted based on the Writ Day roll and provides information on the data accuracy of the roll at the time of GE2020. The 2020/21 target was ≥95%, which was met. There was little difference between the accuracy for Māori and non-Māori voters (95.1% and 95.2% respectively).

Output 2 – Prepare and conduct well-run, risk-mitigated electoral events

| GE Preparation: Key milestones and dates | Timeframe | Status |
|---|---|---|
| Regional Managers appointed | May 2019 | Completed |
| General Election 2020 Senior Officials group convened | June 2019 | Completed |
| Data-matches completed | May 2019 | Completed |
| | August 2019 | Completed |
| | March 2020 | Completed |
| | April 2020 | Completed |
| Local authority enrolment and community engagement campaigns commenced | July 2019 | Completed |
| Initial testing and simulations completed | December 2019 | Completed |
| Returning Officers appointed | January 2020 | Completed |
| First and final editions of Guidance Materials for Stakeholders (parties, candidates, media, etc) completed | February and June 2020 (depending on ED date) | Completed |
| Business Continuity and Disaster Recovery Plans in place | March 2020 | A draft plan was developed in March 2020 and was updated and finalised in July. Subsequent updates were made in August and September. |
| Parties and Candidates briefed | March 2020 | Completed |

Output 3 – New Zealanders understand the electoral system

| Measure | 2019/20 Target | 2019/20 Status | Previous Reporting Period | Trends Over Time |
|--|--|---|----------------------------------|--|
| a. Number of people enrolled (daily average for the period)* | 3.24m | 3.26m | 3.29m (2018/19 Annual Report) | General Roll rates July 2014 to June 30 2020  |
| b. Number of 18-24 year-olds enrolled (daily average for the period)* | 0.27m | 0.28m | 0.30m (2018/19 Annual Report) | Youth Roll rates July 2014 to June 30 2020  |
| c. Number of enrolled electors of Māori descent | 0.46m | 0.468m | 0.466m (February 2020) | Māori Roll rates July 2014 to June 30 2020  |
| d. Provisional roll rates (17 year-olds) | 0.012m | 0.0082m (annual daily average) | [new measure] | Provisional Roll rates (m) July 2014 to June 30 2020  |
| e. Percentage of voters with good or excellent understanding of key elements of the electoral system | Methodology and data collection plan developed in December 2019. Benchmarked in 2020 | Included in voter/non-voter research – October 2020 | [new measure] | NB: Due to timing of the election this measure will be reported in the four-monthly report (February 2021) to the Minister of Justice and the GE2020 post-election review. |

*Note: Measure included in the Commission’s Estimate of Appropriations

Commentary on Output 3:

The graphs presented in this section illustrate the fluctuations in enrolment data across time as a result of elector behaviour, enrolment campaigns, community engagement activities, roll-cleaning and maintenance activities, and proximity of electoral events. Longer-term trends are also apparent.

3a. Overall enrolment levels met the 2019/20 target of 3.24 enrolled electors, and by the time of the general election had reached 3.55m or 94.1% of the eligible population.

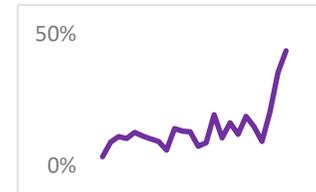
3b. Overall youth enrolment levels have been decreasing over the last two electoral cycles and this has been a cause of concern and attention for us. We met our 2019/20 target with an average of 0.28m young people enrolled during the year. By the time of the general election this had risen to 0.35m or 78.0%

3c. Overall enrolment levels for electors of Māori descent met the 2019/20 target of 0.46 million, and by the time of the general election this had risen to 0.54 million.

3d. Provisional roll rates for seventeen-year olds dropped during the year. This coincided initially with the secondary school holidays when school enrolment initiatives temporarily ceased and the decrease was expected. This was followed by the lock-down and continued disruption to schooling and our school engagement activities. We did not meet our target of an average 0.012m seventeen year olds enrolled during the year. However in the lead up to the general election rates rose again to near target levels.

Output 4 – New Zealanders can easily and simply enrol and vote

| Measure | Current Status | Target 2019/20 | Previous Reporting Period | Trends Over Time |
|---|----------------|----------------|----------------------------------|--|
| Percentage of enrolment transactions that are conducted digitally* (for the reporting period) | 19% | 15% | 15.2% (2018/19 Annual Report) | Percentage of enrolment transactions via digital channels July 2014 to June 30 2020 |
| Percentage of advisory opinions issued within 5 working days (for the reporting period) | >99.0% | 95% | 93% (2018/19 Annual Report) | |



*Note: Measure included in the Commission’s Estimate of Appropriations

Output expenditure 2019-2020

| | ACTUAL (\$m) | FORECAST (\$m) |
|--|-----------------|-------------------|
| Output class – Provide electoral services | | |
| Output area – Electors have trust in the electoral process | \$18.088 | \$20.975 |
| Output 1: Maintaining and protecting the integrity of the electoral system | | |
| Output 2: Conducting of general election, by-elections and referendums | | |
| Output area – People understand the electoral system | \$3.121 | \$8.310 |
| Output 3: Provision of information | | |
| Output area – People value their vote and take part | \$35.409 | \$44.826 |
| Output 4: Facilitation of participation | | |
| Output class – Broadcasting allocation | \$0 | \$0 |
| Allocate broadcasting funding to eligible political parties | | |
| Total expenditure by output | \$56.618 | \$74.111 |
| Revenue | | |
| Crown revenue | 75.518 | \$74.111 |
| Other revenue | \$0.445 | \$0.350 |
| Total revenue | \$75.963 | \$74.461 |
| Operating surplus / (deficit) | \$19.345 | \$0.350 |
| Other activity | | |
| International assistance expenditure | \$2.045 | \$2.250 |
| Assistance to Pacific Election Management Bodies in association with the Ministry of Foreign Affairs and Trade | | |
| International assistance revenue | \$2.045 | \$2.250 |
| Assistance to Pacific Election Management Bodies in association with the Ministry of Foreign Affairs and Trade | | |
| Net result (including international assistance) | \$19.345 | \$0.350 |

Financial Statements

Statement of revenue and expenses for year ended 30 June 2020

| | | 2020 | 2020 | 2019 |
|--|-------|---------------|---------------|---------------|
| | | Actual | Budget | Actual |
| | Notes | \$000 | \$000 | \$000 |
| REVENUE | | | | |
| Funding from Crown | 2 | 75,518 | 74,111 | 24,496 |
| Funding from Crown – Broadcasting Allocation | 2 | - | - | - |
| Interest Received | | 213 | 200 | 200 |
| Other Income | | 232 | 150 | 195 |
| International Assistance Programme | | 2,045 | 2,250 | 1,918 |
| Total Revenue | | 78,008 | 76,711 | 26,809 |
| EXPENDITURE | | | | |
| Personnel and Board Fees | 3 | 23,102 | 25,958 | 12,994 |
| Operating Costs | 4 | 34,899 | 49,855 | 14,100 |
| Broadcasting Allocation | | - | - | - |
| Depreciation and Amortisation Expense | 8,9 | 590 | 475 | 436 |
| Audit Fees | | 72 | 73 | 71 |
| Total Expenditure | | 58,663 | 76,361 | 27,601 |
| Surplus / (Deficit) | | 19,345 | 350 | (792) |
| Other Comprehensive Revenue and Expense | | - | - | - |
| TOTAL COMPREHENSIVE REVENUE AND EXPENSE | | 19,345 | 350 | (792) |

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2020

| | | 2020 | 2020 | 2019 |
|--------------------------------------|-------|---------------|--------------|---------------|
| | | Actual | Budget | Actual |
| | Notes | \$000 | \$000 | \$000 |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 5 | 33,963 | 5,152 | 10,308 |
| Receivables | 6 | 968 | 495 | 489 |
| Prepayments | | 402 | 50 | 65 |
| Inventories | 7 | 239 | 650 | 497 |
| Total Current Assets | | 35,572 | 6,347 | 11,359 |
| NON-CURRENT ASSETS | | | | |
| Property, Plant and Equipment | 8 | 1,244 | 2,734 | 766 |
| Intangible Assets / Work in Progress | 9 | 2,150 | - | 2,043 |
| Total Non-Current Assets | | 3,394 | 2,734 | 2,809 |
| TOTAL ASSETS | | 38,966 | 9,081 | 14,168 |
| CURRENT LIABILITIES | | | | |
| Deferred Revenue | 10 | 2,958 | 1,693 | 2,792 |
| Payables | 10 | 8,362 | 500 | 3,965 |
| Employee Entitlements | 11 | 2,131 | 383 | 1,262 |
| Total Current Liabilities | | 13,451 | 2,576 | 8,019 |
| NON-CURRENT LIABILITIES | | | | |
| Employee Entitlements | 11 | 100 | 82 | 79 |
| Total Non-Current Liabilities | | 100 | 82 | 79 |
| TOTAL LIABILITIES | | 13,551 | 2,658 | 8,098 |
| NET ASSETS | | 25,415 | 6,423 | 6,070 |
| Equity | | | | |
| Accumulated surplus/(deficit) | 13 | 25,415 | 6,423 | 6,070 |
| Total Equity | | 25,415 | 6,423 | 6,070 |

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Statement of changes in equity for year ended 30 June 2020

| | | 2020 | 2020 | 2019 |
|--|-----------|---------------|--------------|--------------|
| | | Actual | Budget | Actual |
| | Notes | \$000 | \$000 | \$000 |
| Balance at 1 July | | 6,070 | 6,073 | 6,862 |
| Total comprehensive revenue and expense for the year | | 19,345 | 350 | (792) |
| Balance at 30 June | 13 | 25,415 | 6,423 | 6,070 |

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Statement of cash flows for year ended 30 June 2020

| | 2020 | 2020 | 2019 |
|--|----------------|----------------|---------------|
| | Actual | Budget | Actual |
| Notes | \$000 | \$000 | \$000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Crown | 75,518 | 74,111 | 24,496 |
| Interest received | 213 | 200 | 200 |
| Receipts from other revenue | 1,964 | 1,285 | 2,987 |
| Payments to Employees | (22,209) | (15,384) | (13,222) |
| Payments to Suppliers | (30,653) | (64,968) | (12,242) |
| Net cash flow from operating activities | 24,833 | (4,756) | 2,216 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Receipts from sale of property, plant and equipment | - | - | - |
| Purchase of property, plant and equipment | (820) | (400) | (621) |
| Purchase of intangible assets | (358) | - | (140) |
| Net cash flows from investing activities | (1,178) | (400) | (761) |
| CASH FLOWS FROM FINANCE ACTIVITIES | | | |
| Capital contributions | | - | |
| Net cash flows from investing activities | - | - | - |
| Net increase/(decrease) in cash and cash equivalents | 23,655 | (5,156) | 1,458 |
| Cash and cash equivalents at beginning of year | 10,308 | 10,308 | 8,850 |
| CASH AND CASH EQUIVALENTS HELD AT YEAR END | 5 | 33,963 | 5,152 |
| | | 10,308 | 10,308 |

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

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

| | 2020 | 2019 |
|---|---------------|--------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Net surplus / (deficit) | 19,345 | (792) |
| Add / (Less) non-cash items | | |
| Depreciation and amortisation expense | 590 | 436 |
| Total non-cash items | 19,935 | 436 |
| Add / (less) movements in financial position items | | |
| (Increase) / decrease in debtors and prepayments | (340) | (50) |
| (Increase) / decrease in inventories | 258 | (199) |
| (Increase) / decrease in GST refund | (476) | (233) |
| Increase / (decrease) in creditors and other payables | 4,563 | 2,981 |
| Increase / (decrease) in employee entitlements | 893 | 73 |
| Net movement in working capital | 4,898 | 2,572 |
| Net cash flow from operating activities | 24,833 | 2,216 |

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

Electoral Commission

Notes to the financial statements

1. Statement of accounting policies

Reporting Entity

The Commission is a Crown entity defined by the Crown Entities Act 2004, and is domiciled and operates in New Zealand. 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 (Postal Voting) Act 2000. The Commission's ultimate parent is the New Zealand Crown.

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

The Commission's statutory purpose is:

"to administer the electoral system impartially, efficiently, effectively, and in a way that –

- (a) facilitates participation in parliamentary democracy; and
- (b) promotes understanding of the electoral system; and
- (c) maintains confidence in the administration of the electoral system."

The Commission has designated itself as a public benefit entity (PBE) for financial reporting purposes of complying with generally accepted accounting practice.

The financial statements for the Commission are for the year ended 30 June 2020 and were approved by the Board on 17 December 2020.

Basis of preparation

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

Statement of Compliance

The financial statements of the Commission have been prepared in accordance with the requirements of the Crown Entities Act 2004. The financial statements comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Commission is a Tier 1 entity and the financial statements have been prepared in accordance with PBE standards.

These financial statements comply with PBE standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Standard early adopted

In line with the Financial Statements of the Government, the Commission has elected the early adoption of PBE IFRS 9 Financial Instruments.

Standards issued and not yet effective and not adopted early

Standards and amendments, issued but not yet effective, that have not been adopted early are:

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Commission does not intend to adopt the amendment early.

PBE IPSAS 34-38

PBE IPSAS 34-38 replace the existing standards for interests in other entities (PBE IPSAS 6-8). These new standards are effective for annual periods beginning on or after 1 January 2019. The Commission is applying these new standards in preparing the 30 June 2020 financial statements. No effect is expected as a result of this change.

PBE IPSAS 41 Financial Instruments

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although the Commission has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. The Commission has not yet determined how the application of PBE FRS 48 will affect its statement of performance.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Good and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to Inland Revenue (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow as part of payments to suppliers in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Commission is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

- Useful lives and residual values of property, plant and equipment – see Note 8.
- Assessing the useful lives of software – see Note 9.
- Measuring long service leave and retirement gratuities – see Note 11.

Budget and forecast figures

The 2019 budget figures are for the year ended 30 June 2019 and were published in the 2018/19 Statement of Performance Expectations. They are consistent with The Commission's best estimate financial forecast information submitted to the Minister of Justice for the year ending 2018/19.

The budget figures are derived from the statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

2. Revenue

The specific accounting policies for significant revenue items are explained below:

Funding from the Crown

The Commission is primarily funded from the Crown. This funding is restricted in its use for the purpose of the Commission meeting the objectives specified in the Electoral Act 1993 and other relevant acts, and the scope of the relevant appropriations of the funder.

Revenue from the Crown is measured based on the Commission's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding and it is recognised as revenue at the point of receipts. The Commission revenue is non-exchange revenue.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

Sale of publications

Sales of publications are recognised as revenue when they are sold to the customer.

Breakdown of revenue

| | 2020 | 2019 |
|---|---------------|---------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Core services of the Electoral Commission | 70,973 | 24,200 |
| Election Broadcasting (Parliamentary Legislative Authority) | - | - |
| Conduct of the Northcote By-Election | - | - |
| Preparation of Cannabis Referendum | 3,138 | 296 |
| Preparation of End of Life Choice Referendum | 1,407 | - |
| Total Revenue from the Crown | 75,518 | 24,496 |

3. Personnel costs

Accounting policy

Salary and wages

Salary and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employer contribution to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Saving Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Breakdown of personnel costs

| | 2020 | 2019 |
|---|---------------|---------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Salaries and wages | 20,162 | 11,609 |
| Increase/(decrease) in employee entitlements | 1,498 | 80 |
| Employer contributions to defined benefit plans | 200 | 300 |
| Other personnel costs | 1,242 | 1,005 |
| Total personnel costs | 23,102 | 12,994 |

Employee remuneration

Remuneration and other benefits of \$100,000 or more paid or payable to employees for the year were:

| | 2020 | 2019 |
|-----------------------|-----------|-----------|
| \$100,000 - \$109,999 | 4 | 8 |
| \$110,000 - \$119,999 | 9 | 3 |
| \$120,000 - \$129,999 | 2 | 1 |
| \$130,000 - \$139,999 | 6 | 5 |
| \$140,000 - \$149,999 | 5 | 3 |
| \$150,000 - \$159,999 | 5 | 2 |
| \$160,000 - \$169,999 | 2 | 1 |
| \$170,000 - \$179,999 | 2 | 2 |
| \$180,000 - \$189,999 | 2 | - |
| \$190,000 - \$199,999 | - | 3 |
| \$200,000 - \$299,999 | 2 | - |
| | 39 | 28 |

During the year ended 30 June 2020, no employee received compensation and other benefits in relation to cessation \$0 (2019: \$65,887).

Board members' remuneration

Board members are paid at the rate set by the Remuneration Authority. The total value of remuneration paid or payable to each Board member during the year was:

| | 2020 | 2019 |
|---|------------|------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Chair Hon Sir Hugh Williams QC (retired in July 2019) | 10 | 38 |
| Deputy Chair Kristy McDonald QC (resigned in March 2019) | - | 11 |
| Chair Marie Shroff MA (Hons), CVO, CNZM (started in August 2019) | 90 | - |
| Deputy Chair Jane Meares, LLB Hons (started in August 2019) | 48 | - |
| Chief Executive, Chief Electoral Officer and Board Member Alicia Wright | 345 | 311 |
| Total Board Members' Remuneration | 468 | 360 |

There have been no payments made to committee members appointed by the Board who are not Board members during the financial year.

No Board members received compensation or other benefits in relation to cessation (2019: \$nil).

4. Other expenses

Accounting Policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Other expenses

Other expenses are recognised as goods and services are received.

Breakdown of other expenses

| | 2020 | 2019 |
|--|---------------|---------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Enrolment Services | 8 | 10 |
| Specialist Services | 11,907 | 4,854 |
| Postage & Courier Charges | 949 | 2,295 |
| Rent including other temporary premises | 6,388 | 1,265 |
| Advertising and Publicity | 2,677 | 847 |
| Information, Communications & Technology | 2,491 | 1,244 |
| Printing | 850 | 323 |
| Travel | 1,366 | 1,270 |
| Stationery/Supplies | 3,526 | 489 |
| Minor Assets | 2,367 | 82 |
| Other | 1,491 | 1,061 |
| Storage/Freight | 879 | 360 |
| Total Operating costs | 34,899 | 14,100 |

Operating leases as lessee

| | 2020 | 2019 |
|---|---------------|--------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Not later than one year | 7,727 | 1,431 |
| Later than one year and not later than five years | 3,739 | 4,278 |
| Later than five years | 42 | 291 |
| Total non-cancellable operating leases | 11,508 | 6,000 |

The Commission leases properties in the normal course of its business. The majority of these are for premises which have a non-cancellable leasing period ranging from one to five years.

The Commission's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights.

5. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Breakdown of cash and cash equivalents

| | 2020 | 2019 |
|--|---------------|---------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Investment Account | 30,400 | 9,792 |
| Operating Account | 3,117 | 516 |
| Electorate Bank Accounts | 446 | - |
| Total cash and cash equivalents | 33,963 | 10,308 |

While cash and cash equivalents at 30 June 2019 are subject to the expected credit less requirements of PBE IFRS 9, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Assets recognised in non-exchange transaction that are subject to restrictions.

Cash held includes unspent Ministry of Foreign Affairs and Trade funding received of \$2.958m (2019 \$2.792m) for international assistance work with Pacific Island States and is subject to restrictions. The restrictions specify how the funding is required to be spent in providing the specified deliverables.

6. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less any allowance for credit losses. The Commission applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Previous accounting policy for impairment of receivables

In the previous year, the allowance for credit losses was based on incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

Breakdown of receivables

| | 2020 | 2019 |
|---|------------|------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Receivables (Gross) | 968 | 489 |
| Less Allowance for credit loss | - | - |
| Receivables | 968 | 489 |
| <i>Receivables comprise:</i> | | |
| Receivables from the sale of goods and services (exchange transactions) | 24 | 21 |
| Receivables from GST refund from Inland Revenue (non-exchange transactions) | 944 | 468 |

The expected credit loss rates for receivables at 30 June 2020 and 1 July 2019 are based on the payment profile of revenue on credit over the prior 2 years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the recoverability of receivables. Given the short period of credit risk exposure, the impact of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

The allowance for credit losses at 30 June 2019 and 1 July 2018 was determined as follows:

| 30 June 2020 | Receivable days past due | | | | Total |
|-------------------------------------|--------------------------|-------------------|-------------------|-------------------|-------|
| | Current | More than 30 days | More than 60 days | More than 90 days | |
| Expected credit loss are | 0% | 0% | 0% | 0% | - |
| Gross carrying amount (\$000) | 13 | 1 | 5 | 5 | 24 |
| Lifetime expect credit loss (\$000) | - | - | - | - | - |

| 1 July 2019 | Receivable days past due | | | | Total |
|-------------------------------------|--------------------------|-------------------|-------------------|-------------------|-------|
| | Current | More than 30 days | More than 60 days | More than 90 days | |
| Expected credit loss are | 0% | 0% | 0% | 0% | - |
| Gross carrying amount (\$000) | 17 | - | 1 | 3 | 21 |
| Lifetime expect credit loss (\$000) | - | - | - | - | - |

There is no movement in the allowance for credit losses.

7. Inventories

Accounting policy

Inventories are held for distribution or for 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.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the year of the write-down.

Breakdown of inventories and further information

| | 2020 | 2019 |
|---|------------|------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Commercial inventories | | |
| Publications held for sale | 11 | 13 |
| Non-Commercial inventories | | |
| Inventories held for the use in the provision of goods and services | 228 | 484 |
| Total inventories | 239 | 497 |

The write-down of inventories during the year was \$13,274 (2019 \$10,136). There have been no reversal of write-downs.

8. Property, plant and equipment

Accounting policy

Property, plant, and equipment consists of the following asset classes, which are measured as follows:

- Office equipment, at cost less accumulated depreciation and impairment losses.
- Computer equipment, at cost less accumulated depreciation and impairment losses.
- Leasehold improvements, at cost less 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.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant, and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to 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 expensed in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated surplus/(deficit) within equity.

Depreciation

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

| | | |
|------------------------|---------|--------|
| Office equipment | 5 years | 20.00% |
| Leasehold improvements | 9 years | 11.11% |
| Computer equipment | 3 years | 33.33% |

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Impairment

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 are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might 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, a 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's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Critical accounting estimates and assumptions

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by the Commission, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. The Commission minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programs;
- review of second-hand market prices for similar assets;
- and analysis of previous asset sales.

The Commission has not made significant changes to past assumptions concerning useful lives and residual values.

Breakdown of property, plant, and equipment and further information

Movements for each class of property, plant, and equipment are as follows:

| | COMPUTER HARDWARE | OFFICE EQUIPMENT | LEASEHOLD IMPROVEMNETS | TOTAL |
|---------------------------------|----------------------|---------------------|---------------------------|--------------|
| | \$000 | \$000 | \$000 | \$000 |
| Cost or Valuation | | | | |
| Balance at 1 Jul 2018 | 576 | 246 | 177 | 999 |
| Additions | 425 | - | 197 | 622 |
| Disposals | - | 1 | - | 1 |
| Balance at 30 Jun 2019 | 1,001 | 245 | 374 | 1,620 |
| Balance at 1 Jul 2019 | 1,001 | 245 | 374 | 1,620 |
| Additions | 224 | 59 | 537 | 820 |
| Disposals | - | - | - | - |
| Balance at 30 Jun 2020 | 1,225 | 304 | 911 | 2,440 |
| Accumulated Depreciation | | | | |
| Balance at 1 Jul 2018 | 492 | 120 | 63 | 676 |
| Depreciation Expense | 110 | 47 | 22 | 179 |
| Balance 30 Jun 2019 | 602 | 167 | 85 | 854 |
| Balance at 1 Jul 2019 | 602 | 167 | 85 | 854 |
| Depreciation Expense | 214 | 54 | 74 | 342 |
| Balance 30 Jun 2020 | 816 | 221 | 159 | 1,196 |
| Carrying Amount | | | | |
| At 1 July 2018 | 83 | 126 | 114 | 323 |
| At 30 June/1 July 2019 | 399 | 78 | 289 | 766 |
| At 30 June 2020 | 409 | 83 | 752 | 1244 |

There are no restrictions over the title of the Commission's property, plant and equipment nor is there any property, plant or equipment pledged as security for liabilities.

Capital Commitments

There are no capital commitments for the acquisition of property, plant, and equipment at the report date.

9. Intangible assets

Accounting policy

Software acquisition and development

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

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Cost associated with development and maintenance of the Commission's website is recognised as an expense 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 derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit. The amortisation only applies to complete developed computer software.

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

| | | |
|-----------------------------|----------|--------|
| Acquired Computer Software | 3 years | 33.33% |
| Developed Computer Software | 10 years | 10.00% |

Impairment of intangible assets

Refer to the policy for impairment of property, plant, and equipment in Note 8. The same approach applies to the impairment of intangible assets.

Critical accounting estimates and assumptions

Estimating useful lives of software

Internally generated software has a finite life, which requires the Commission to estimate the useful life of the software assets.

In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use;
- the effect of technological change on systems and platform; and
- the expected time frame for the development of replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position.

The Commission has estimated a useful life of 10 years for its regulatory platform based on the period of use estimated. This useful life is still considered reasonable based on the current performance and use of the software. There are currently no indicators the period of use of the software will be materially different.

Breakdown of intangible assets

Movements for each class of intangible asset are as follows:

| | SOFTWARE | WORK IN PROGRESS | TOTAL |
|---------------------------------|--------------|------------------|--------------|
| | \$000 | \$000 | \$000 |
| Cost or Valuation | | | |
| Balance at 1 July 2018 | 2,639 | - | 2,639 |
| Additions | - | 140 | 140 |
| Disposals | - | - | - |
| Balance at 30 June 2019 | 2,639 | 140 | 2,779 |
| Balance at 1 Jul 2019 | 2,639 | 140 | 2,779 |
| Additions | - | 356 | 356 |
| Transfers | - | - | - |
| Balance at 30 June 2020 | 2,639 | 496 | 3,135 |
| Accumulated Depreciation | | | |
| Balance 1 July 2018 | 479 | - | 479 |
| Amortisation Expense | 257 | - | 257 |
| Balance at 30 Jun 2019 | 736 | - | 736 |
| Balance at 1 July 2019 | 736 | - | 736 |
| Amortisation Expense | 249 | - | 249 |
| Balance 30 Jun 2020 | 985 | - | 985 |
| Carrying Amount | | | |
| At 1 July 2018 | 2,160 | - | 2,160 |
| At 30 June / 1 July 2019 | 1,903 | 140 | 2,043 |
| At 30 June 2020 | 1,654 | 496 | 2,150 |

Restrictions

There are no restrictions over the title of the Commission's intangible assets nor are there any intangible assets pledged as security for liabilities.

Capital commitments

There are no capital commitments for the intangible asset.

10. Payables and deferred revenue

Accounting policy

Short-term payables are recorded at the amount payable.

Breakdown of payable and deferred revenue

| | 2020 | 2019 |
|--|---------------|--------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Payables and deferred revenue under exchange transactions | | |
| Creditors | 2,941 | 1,563 |
| Income in advance | 2,958 | 2,792 |
| Accrued expense | 5,421 | 2,402 |
| Total payable and deferred revenue | 11,320 | 6,757 |

11. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and

The present value of the estimated future cash flows.

Presentation of employee entitlements

Annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Breakdown of employee entitlements

| | 2020 | 2019 |
|------------------------------------|--------------|--------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Current portion | | |
| Accrued salaries and wages | 798 | 444 |
| Annual leave | 1,283 | 776 |
| Long Service Leave | 50 | 42 |
| Total current portion | 2,131 | 1,262 |
| Non-current portion | | |
| Long Service leave | 100 | 79 |
| Retiring leave | - | - |
| Total non-current portion | 100 | 79 |
| Total employee entitlements | 2,231 | 1,341 |

12. Contingencies

Contingent liabilities

Lawsuit

The Commission has no contingent liability relating to legal action (2019:\$nil).

Contingent assets

The Commission has no contingent assets (2019:\$nil).

13. Equity

Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- Retained earnings
- Accumulated surplus/ (deficit)

Breakdown of equity

| | 2020 | 2019 |
|--------------------------------------|---------------|--------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Accumulated surplus/(deficit) | | |
| Balance at 1 July | 6,070 | 6,862 |
| Surplus/(deficit) for the year | 19,345 | (792) |
| Balance at 30 June | 25,415 | 6,070 |
| Total equity | 25,415 | 6,070 |

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.

14. Related party transactions

The Commission is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Commission would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel

There were no transactions entered into during the year with key management personnel:

Key management personnel compensation

| | 2020 | 2019 |
|--|--------------|--------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Chair and Deputy Chair of the Board | | |
| Remuneration | 148 | 49 |
| Full-time equivalent members | 0.5 | 0.2 |
| Leadership Team | | |
| Remuneration | 1,901 | 1,643 |
| Full-time equivalent members | 9 | 9 |
| Total Key management personnel remuneration | 2,049 | 1,692 |
| Total full-time equivalent personnel | 9.5 | 9.2 |

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

Compensation for the Chief Electoral Officer/Chief Executive who is also a Board member is included with the Leadership Team.

A breakdown of individual Board member remuneration is provided in Note 3.

15. Financial instruments

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

| | 2020 | 2019 |
|--|---------------|---------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Financial assets measured at amortised cost (2019: Loans and receivables) | | |
| Cash and cash equivalents | 33,963 | 10,308 |
| Debtors and other receivables | 1,370 | 554 |
| Total Financial assets measured at amortised cost | 35,333 | 10,862 |
| Financial liabilities measured at amortised cost | | |
| Creditors and other payables | 13,451 | 8,019 |
| Total Financial liabilities measured at amortised cost | 13,451 | 8,019 |

Financial instrument risks

The Commission's activities expose it to the financial instrument risks of market, credit, and liquidity risk. The Commission's policy is to manage these risks and seeks to minimise exposure from financial instruments. These policies do not allow transactions that are speculative in nature to be entered into.

Market risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Commission's exposure to fair value interest rate risk is limited to its bank deposits that are held at fixed rates of interest. The Commission does not actively manage its exposure to fair value interest rate risk.

Cash flow interest risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose The Commission to cash flow interest rate risk.

The Commission's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. The Commission currently has no variable interest rate investments.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Commission, causing the Commission to incur a loss.

The Commission is exposed to credit risk from cash and term deposits with banks, receivables, and derivative financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Risk management

For receivables, the Commission reviews the credit quality of customers before granting credit. It continues to monitor and manage receivables based on their ageing and adjusts the expected credit loss allowance accordingly. There are no significant concentrations of credit risk.

Due to the timing of its cash inflows and outflows, the Commission invests surplus cash with registered banks with a Standard and Poor's credit rating of at least A2 for short-term investments and A for long-term investments. The Commission limits the amount of credit exposure to any one financial institution for term deposits to no more than 25% of total investments held. The Commission invests funds and enters into derivative financial instruments only with registered banks that have a Standard and Poor's credit rating of at least A2 for short-term investments and A for long-term investments. The Commission's investments in term deposits are considered to be low-risk investments. The credit ratings of banks are monitored for credit deterioration.

Security

No collateral or other credit enhancements are held for financial assets that give rise to credit risk.

Impairment

Cash and cash equivalents (Note 5), receivables (Note 6) are subject to the expected credit loss model. The notes for these items provide relevant information on impairment.

Credit risk exposure by credit risk rating grades, excluding receivables

The gross carrying amount of financial assets, excluding receivables, by credit rating is provided below by reference to Standard and Poor's credit ratings.

Maximum exposures to credit risk at reporting date are:

| | 2020 | 2019 |
|---|---------------|---------------|
| | Actual | Actual |
| | \$000 | \$000 |
| Cash at bank and term deposit | | |
| BNZ (AA-) | 33,963 | 10,308 |
| Total cash at bank and term deposits | 33,963 | 10,308 |

No collateral is held on the above amounts. There is no maturity date on the current bank balances as these represent cash held in transactional and cash management accounts.

Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The Commission manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses financial liabilities (excluding derivatives) into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the undiscounted contractual cash flows

| | Carrying Amount \$000 | Contractual cashflows \$000 | Less than 6 months \$000 | 6-12 months \$000 | More than 1 year \$000 |
|---|--------------------------------------|--|---|----------------------------------|-----------------------------------|
| 2020 | | | | | |
| Payables (excluding income in advance, taxes payable and grants received subject to conditions) | 2,941 | 2,941 | 2,941 | - | - |
| Total | 2,941 | 2,941 | 2,941 | - | - |
| 2019 | | | | | |
| Payables (excluding income in advance, taxes payable and grants received subject to conditions) | 1,320 | 1,320 | 1,320 | - | - |
| Total | 1,320 | 1,320 | 1,320 | - | - |

16. Events after balance date

There have been no significant events after balance date.

17. Explanation of major variances against budget

Comparative budget values are sourced from the forecast financial statements shown in The Commission's Statement of Performance Expectations 2019-2024 (SPE). The key variances to budget are outlined below:

Statement of comprehensive revenue and expense

Revenue - \$1.583m favourable against budget in the main is the result of:

- \$1.407m Crown funding received for preparation of End of Life Choice Referendum

Expenditure - \$17.698m favourable against budget as a result of:

- \$2.856m underspend on Personnel due to:
 - \$1.093m underspend in Enrolment and Community Engagement staff costs as a result of deferring the Enrolment Update Campaign from late June to early July, and due to Covid-19. Recruitment of temporary staff for Enrolment and Community Engagement was also delayed. This also meant that recruitment of staff for the two referendums and their training was also delayed leading to a further underspend of \$0.387m.
 - \$0.121m underspend in Enrolment and Community Engagement staff training programme. As with the delay in recruitment, the training programme was rescheduled to July.
 - \$0.110m underspend in General Election field staff wages as a result of staff starting later than originally planned.
 - \$0.245m underspend in Training. Due to Covid-19, the June face-to-face training in Wellington for Returning Officers and their immediate managers, was cancelled.
 - \$0.054m underspend in temporary staff who were to work on overseas vote processing. This was as a result of the delay in their recruitment.
 - \$0.845m underspend in International Assistance personnel costs, as there have been no international deployments since late March due to the international travel restrictions.
- \$14.961m underspend in Operating costs:
 - \$0.167m underspend in minor assets needed to set up electorate headquarters across the country. The delay was due to covid-19.
 - \$2.197m underspend in the Civics Education programme. This was delayed due to Covid-19.
 - \$0.140m underspend in Legal Fees due to there being less need for legal advice.
 - \$0.446m underspend in mobile phones for Headquarter staff. The decision was made to lease the mobile phones rather than purchase them and they were due to be delivered after balance date.

- \$0.846m underspend in advertising production and placement due to the delayed Enrolment Update Campaign.
- \$0.233m underspend in the website redevelopment. Phase 3 of the website redevelopment was finalised in June and came in under budget.
- \$2.003m underspend in costs associated with the cancelled face-to-face training of Returning Officers and their immediate managers. The training of the trainers was also cancelled, and the filming timeline was shifted from March/April to June/July.
- \$4.335m underspend in electorate supplies. The bulk supplies shipment, due to be delivered in June, was rescheduled for July due to Covid-19.
- \$2.670m underspend in security due to planning adjustments. This budget will be used to support security expenses for voting places at the General Election.
- \$2.006m underspend in postage and printing as a result of rescheduling the enrolment update campaign.
- \$1.335m underspend in International Assistance operating costs, as there have been no international deployments since late March due to the international travel restrictions.
- \$1.777m underspend on public information delivery and collateral for the Enrolment and Community Engagement team. This has been deferred to July 2020 due to the uncertainty of the pandemic.
- Some of these underspends have been offset by overspends in the following areas:
 1. \$1.298m overspend for the Covid-19 response team setup and initial personal protective equipment procurement.
 2. \$1.127m overspend in IT as more laptops and screens were needed for electorate headquarters (\$0.717m), additional IT specialist services were required for critical systems development and testing (\$0.442m), and additional cabling was required in temporary electorate headquarters (\$0.097m).
 3. \$0.059m overspend in minor assets for staff to enable them to work from home during the Covid-19 lockdown period.

Statement of financial position

Current Assets - \$29.225m favourable against budget as the result of:

- \$0.476m of GST was refunded in June.
- \$28,811m in cash and cash equivalents due to:
 - New funding received from Ministry of Foreign Affairs and Trade for Tongan Electoral Commission technical support
 - Additional funding received from the Crown for referendum preparations.
 - Underspend in expenditure.

Current Liabilities - \$10.875m unfavourable against budget as the result of:

- \$1.295m increase in deferred revenue due to the delay in the assistance programme in Bougainville.
- \$7.862m increase in accounts payable and accruals reflecting the heightened activity due to preparations for the General Election and two Referendums.

18. Trust monies

The Trust Account for Nomination Deposits was administered on behalf of the Crown under 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. Movements in this account during the year ended 30 June 2018 were as follows:

| | 2020 | 2019 |
|--|----------|-----------|
| | Actual | Actual |
| | \$000 | \$000 |
| Election candidate deposits trust account | | |
| Balance 1 July 2019 | 4 | 80 |
| Fees received | - | 2 |
| Fees refunded | - | (78) |
| Balance at 30 June 2020 | 4 | 4 |

19. COVID-19

On 11 March 2020 the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19. Following this, on Wednesday 25 March 2020, the New Zealand Government raised its Alert Level to 4, full lockdown of non-essential services, for an initial four-week period.

The Commission was considered an essential service and, whilst offices were closed, our staff worked remotely from their homes. The Commission's systems enabled this to be seamless and operations were largely unaffected by the need to work remotely.

However, plans for the delivery of the 2020 General Election had to change quickly to ensure we were able to conduct the election safely in a COVID-19 environment. More on the impact of COVID-19 is contained on page 28.

Note 17 includes commentary on major variances against budget, including significant variances as a result of COVID-19.

COVID-19 has not had an impact on estimates or assumptions used in this Annual Report.

Statement of Responsibility

The Board is responsible for the preparation of the Electoral Commission's financial statements and statement of performance, and the judgements made in them.

The Board is responsible for any end-of-year performance information provided by the Electoral Commission under section 19A of the Public Finance Act 1989.

The Board has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Electoral Commission for the year ended 30 June 2020.

Signed by the Board:



Marie Shroff
Chair



Jane Meares
Deputy Chair



Alicia Wright
Chief Electoral Officer

17 December 2020

Independent auditor's report

Independent Auditor's Report

To the readers of the Electoral Commission's financial statements and performance information for the year ended 30 June 2020

The Auditor-General is the auditor of the Electoral Commission (the Commission). The Auditor-General has appointed me, Andrew Clark, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, of the Commission on his behalf.

Opinion

We have audited:

- the financial statements of the Commission pages 45 to 77, that comprise the statement of financial position as at 30 June 2020, the statement of revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date, and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Commission on pages 38 to 43.

In our opinion:

- the financial statements of the Commission on pages 45 to 77:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards; and
- the performance information on pages 38 to 43:
 - presents fairly, in all material respects, the Commission performance for the year ended 30 June 2020, including:
 - for each class of reportable outputs:

- its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 17 December 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the Commission. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of the Covid-19 pandemic on the Commission as set out in note 19 on page 77 to the financial statements on pages 28 and 29 of the performance information.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Commission for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine is

necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Commission for assessing the Commission's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commission, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Commission's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Commission’s framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 4 to 78, but does not include the financial statements and the performance information, and our auditor’s report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Commission in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of

Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Commission.

A handwritten signature in black ink that reads "Andrew Clark". The signature is written in a cursive style and is slanted upwards from left to right.

Andrew Clark
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Directory

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ON BEHALF OF THE AUDITOR-GENERAL

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ISSN: 1177-956X (PRINT)

ISSN: 1177-9551 (ONLINE)

