

05 December 2024

Ref: EC24-007

Future proofing the electoral system

Purpose: Options for efficient, resilient and modernised elections

Minister	Action Sought	Minister's Deadline
Hon Paul Goldsmith, Minister of Justice	Note the information provided	

Contact for telephone discussion (if required)

Name	Position	Contact (work)	Contact (mobile)	First Contact?
Karl Le Quesne	Chief Electoral Officer		██████████	Yes
Leigh Deuchars	Deputy Chief Executive, Strategy, Governance and Development		██████████	No

Recommendations

It is recommended that you:

- (a) **note** the information provided in this briefing for discussion on Thursday, 12 December 2024.

Purpose

This briefing outlines the Commission's recommended steps for an efficient, resilient and modernised electoral system. It also describes at a high level the service level scenarios that are included in the Budget 2025 cost pressure template.

Background

1. On 24 October you met with the Commission Board to discuss budget pressures. In that meeting you requested the Commission provide advice on options to modernise the electoral system to improve efficiency and timeliness.
2. The Commission has also modelled a range of alternative service levels. Advice on the impact of those changes is outlined in this paper.
3. The Commission has worked with the Ministry of Justice as policy options are developed and has provided input and feedback on the options presented. The options in this paper build on the advice developed and operational considerations.

Discussion

Several reviews have outlined a set of issues to resolve in the electoral system

4. Successive general election reports and external reviews have canvassed a set of challenges facing the electoral system recommending changes to:
 - a) reduce complexity of legislative settings
 - b) modernise aging technology systems
 - c) provide steady and stable funding streams to enable development and continuous improvement during the Commission's election planning periods
 - d) reduce the growing pressure from increasing special votes and population increases.
5. The advice set out in these reviews and further risk advice from PricewaterhouseCoopers have informed the shape of our recommendations.
6. While highlighting a number of challenges, there are clear opportunities to increase the efficiency, timeliness and resilience of the electoral system.
7. At the same time we need to maintain a high level of performance against the Commission's statutory objectives, outlined below.

Facilitate participation in parliamentary democracy:

8. Enrolment- rates remain high at 94.7% in 2023, 94.2% in 2020 and 92% in 2017 at election day (rates drop several percentage points between elections).
9. Turnout- rates remain high compared to other jurisdictions - 78.2% in 2023, 82.2% in 2020 and 79.8% in 2017.

Promote understanding:

10. Surveyed voters reporting good to very good understanding of how to vote were 94% in 2023, and 89% in 2020.

Maintain confidence:

11. Voters reporting confidence that Electoral Commission staff conduct elections impartially were 72% in 2023 and 87% in 2020.

12. The Act requires the Commission to administer the system impartially, efficiently and effectively. Current legislative settings prohibit the Commission from decoupling its operating model from methods that are outdated and increasingly costly. Population increase, greater population mobility and changing patterns of interacting are further increasing pressure.

Service level scenarios - Budget 2025 cost pressure template

13. Since meeting with you, the Commission has modelled several more scenarios for election delivery. These are presented in our attached Budget template and an overview table provided on the following page.

Scenario	Preferred	Scaled v1	Scaled v2	Scaled v3
Funding requested (6 years)	\$224.329m	\$195.700m	\$179.240m	\$116.421m
Election service component	\$132.844m	\$104.215m	\$104.215m	\$60.882m
OAG recommendation component	\$39.424m	\$39.424m	\$22.964m	\$4.758m
Key facts	<ul style="list-style-type: none"> 12 days advance voting Total temp staff 27,872 75,859 voting hours 41 votes per hour 898 AV places 2,532 ED voting places 392,554 issuing hours 	<ul style="list-style-type: none"> 7 days advance voting Total temp staff 34,072 60,075 voting hours 51 votes per hour, 756 AV places 2,833 ED voting places 370,923 issuing hours 	<ul style="list-style-type: none"> 7 days advance voting Total temp staff 34,072 60,075 voting hours 51 votes per hour, 756 AV places 2,833 ED voting places 370,923 issuing hours 	<ul style="list-style-type: none"> 3 days advance voting Total temp staff 41,764 38,072 voting hours 81 votes per hour 414 Advance voting places 2,850 ED voting places 309,667 issuing hours
Impacts	<ul style="list-style-type: none"> Queuing time- 15min average (up to 30+ min) 	<ul style="list-style-type: none"> Queuing time- an additional 30mins - 1 hour to preferred scenario Reduced information in EasyVote pack No return envelopes in Enrolment Update Campaign packs Reduced face to face education and communications 	<ul style="list-style-type: none"> Queuing time an additional 30mins - 1 hour to preferred scenario Reduced information in EasyVote pack No return envelopes in Enrolment Update Campaign packs Reduced face to face education and communications 	<ul style="list-style-type: none"> Queuing time an average of 1.5 hours and up to 4 hours No EasyVote cards No return envelopes in Enrolment Update Campaign packs No face to face education and communications

14. Modelling shows that due to population growth, the requirement to ensure every eligible voter can vote and the manual counting and issuing process, changes to settings, such as reducing the advance voting period, have a large effect on queuing times and operational risk. Operational improvements can reduce delivery costs but on their own are insufficient to significantly mitigate cost pressures.

15. What it also indicates is that the current manual, people-based delivery model is reaching the end of its capacity to cope with increased population growth. Changes to legislative settings, the underlying election processes and technology changes are needed to manage volume and control cost growth.

Electoral system modernisation

16. Below we recommend options to modernise the electoral system in ways that sustain performance, while maintaining participation, understanding and confidence, and addressing efficiency, effectiveness and timeliness.
17. The full modernisation case is being completed and will be submitted for the formal Budget documentation. Our modelling against projected population growth indicates that no single intervention is sufficient to address the increased impact of that growth.
18. We have looked specifically at reducing the time for the official count and have identified some changes that will reduce pressure on the current 20 day timeframe for the official count. They are not sufficient to reduce the official count to 14 days in the 2026 general election, but may be able to over the longer term. Furthermore, future population and special vote growth will erode any gains we can make in the short term.

Timing summary for modernisation

19. The table below provides a summary of modernisation activity and proposed delivery timeframes and subsequent commentary after the table provides more details.

Initiative	Pre GE2026	Between GE2026 and GE2029	Beyond GE2029
Direct Enrolment and other solutions to reduce special votes	<ul style="list-style-type: none"> Re-establish and improve data matching arrangements Start design of direct enrolment operating model 	<ul style="list-style-type: none"> Progressively update enrolment details using data matching Finalise direct enrolment operating model Investigate unpublished electors to cast an ordinary vote 	<ul style="list-style-type: none"> Achieve further benefits of direct enrolment
Streamline and automate election processes	<ul style="list-style-type: none"> Document existing processes, identify efficiencies and update ready for GE2026 	<ul style="list-style-type: none"> Automate election processes 	<ul style="list-style-type: none"> Automate election processes
Election technologies	<ul style="list-style-type: none"> Improved solution for overseas voting 	<ul style="list-style-type: none"> Requirements gathering for core system requirement. Analysis of election technology solutions including both voting and counting. 	
Digital Communications	<ul style="list-style-type: none"> Test digital communication where legislation enabled Use an outsourced provider to deliver EasyVote packs in digital and paper formats 	<ul style="list-style-type: none"> Further implement digital communication to reduce costs Local Body Election and By-election update via digital and paper formats Election Update Campaign dual channels – both digital and paper based 	
Modernising delivery business case	<ul style="list-style-type: none"> Process simplification and improvements to improve integrity and reduce risk of error including implementing recommendations from the OAG review. 	<ul style="list-style-type: none"> Business case development Redesign of voting processes and tools to support staff manage increased numbers Develop future election delivery operating model 	<ul style="list-style-type: none"> Modernised delivery and election technologies progressively introduced

Direct enrolment to reduce special votes

Near term:

- 20. Implement direct enrolment data updates for those electors already enrolled. Gather information of changes to key details, e.g. change of address, through government data matching. Automatically update the enrolment record and notify the elector of the change giving them the opportunity to correct an update.

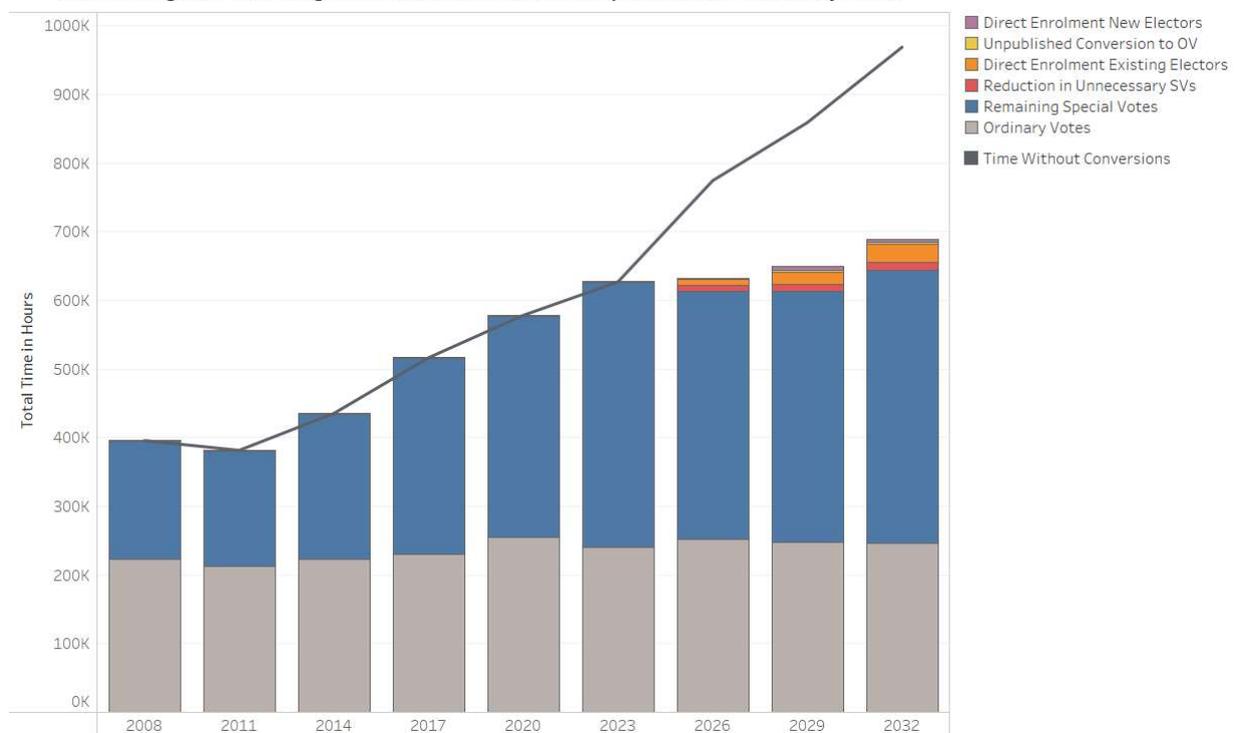
Medium term:

- 21. Investigate use of other government agency data matching and touchpoints to offer or encourage enrolment to new electors.

Progressively target additional categories of special votes

- 22. Enabling unpublished electors to cast an ordinary vote is one option that should be explored in the medium term as the complex nature of the vote adds more time in the official count period.
- 23. Assuming current trends and population growth, these changes will create significant efficiencies and without them, the time taken for issuing and processing of votes increases significantly. Benefits can be achieved whilst retaining outcomes for voters.
- 24. In the graph below, the line shows the number of hours for issuing and processing all votes, if no measures are taken to convert special votes to ordinary votes. If measures are taken to convert special votes to ordinary votes, such as direct enrolment, the hours required for issuing and processing decreases, as shown by the bar graph. For instance, the orange bars show the amount of issuing and processing time needed for ordinary votes that were converted by implementing direct enrolment.

Vote Issuing and Processing Time with Conversions from Special Votes to Ordinary Votes



25. However, due to growth in overall volume, a solution to further manage growth beyond 2029 would need to target speed in overall vote processing and counting. A significant number of special votes still remain. These are generated by mobile voting, manual voting place issuing errors but most significantly from overseas votes.

Streamline and automate election processes to speed up processing, reduce error and increase efficiency

26. Inefficient processes and systems are creating error and risk to integrity. The growing complexity of election processes has also contributed to ineffective controls, growing pressure in the voting period and risk to the timely return of an accurate result.

27. The sheer volume of some time-consuming processes, such as overseas vote processing, creates inefficiencies and bottlenecks in the official count period.

28. A set of improvements is required to respond to the challenges in 2023 that led to errors in the official count process. A key response is process simplification and improvement to:

- reduce inefficiencies and bottlenecks,
- reduce risk of errors in the election process and count, and
- create a stable platform for future technology to modernize and speed up the election process.

Invest in election technologies to achieve a step change in processing and counting

Medium term:

29. A range of technologies are used in other jurisdictions with complex voting systems as a way of improving accuracy, controlling cost and managing large numbers of ballots. The technology is often bundled together to address a set of pressures, for example, live roll mark off, ballot printing on demand and electronic vote processing and counting.

30. It is likely that wide-spread use of this technology, with the other factors outlined, will sufficiently offset population growth to reduce the official count period.

31. These options have previously been canvassed and used in limited forms, however, the available investment to scale up and implement these solutions has not been available. The Commission believes that a thorough investigation of the suitable technology, its costs and its benefits (including security, integrity and public trust considerations) needs to be undertaken as part of a broader business case.

Introduce digital communications with electors.

32. New Zealanders increasingly expect to transact their business with government online. They are also increasingly mobile. At the last census, 20% of the population had lived in their house for 1 year or less and 53% for less than five years. Postal communication is increasingly costly and less effective as a means of ensuring integrity of electoral roll information.

33. Legislative change is needed to enable the Commission to communicate via electronic methods rather than post for many of its large mailouts.

Near term:

34. Use electors' email addresses and mobile numbers already held by the Commission to run trials of hybrid electronic and postal communications, including for the hybrid delivery of EasyVote for the 2026 general election. This capability will be developed and managed by an external supplier. This will provide data and evaluation to inform a business case for scaling up digital communications.
35. With legislation change, the Commission can progressively shift to communicating with electors via digital channels using an external provider for large update campaigns whilst longer term system solutions are scoped.

Medium term:

36. Implement a technology solution to support direct enrolment updates and digital communication. This has potential to support increased use of online enrolment for new electors and to ensure integrity of enrolment information in ways which do not rely on posting mail to physical addresses.

Modernising delivery business case development

37. The Commission is seeking funding to develop a business case for modernising delivery to reduce costs that covers the following key areas:
 - Direct enrolment
 - Digital communications with electors
 - Modernisation of our election systems.
38. In developing the business case we would phase the work over the next two electoral cycles. The initial activities will support the development of modernisation options in the business case.
39. As mentioned in the table above (paragraph 19), the initial work would include testing electronic communication where legislation enables it (including hybrid approach for EasyVote cards), re-establishing and improving data matching arrangements, implementing recommendations from the Office of the Auditor-General's report on the 2023 general election and designing and implementing solutions to reduce the overseas vote pressures. This initial work would also include the design of an operating model that supports direct enrolment.

Annex 1: Budget 2025 Cost Pressures and New Spending Template

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Effective, timely and resilient election services									
Lead Minister	Minister of Justice	Agency	Electoral Commission							
Initiative description (max 800 characters)	Delivering successful elections is significant and complex – and is made more complex by population growth and changes in voter behaviour. Our election model performs highly on measures of public participation, understanding and confidence, but its resilience, efficiency and ability to maintain integrity with increased volume is strained. This initiative provides options to retain performance while managing cost growth by improving and modernising election processes, enrolment and communications. It enables integrity improvements and gives a pathway to delivering more timely election results. Keeping service levels similar to the 2023 general election offers stability to implement these improvements. The funding supplements the Commission’s baseline of \$245.817m for each three-year cycle.									
Priority Area (PA) Objective	<input type="checkbox"/>	New Spending Commitments	<input type="checkbox"/>	Capital Investments						
	<input checked="" type="checkbox"/>	Cost Pressures	<input checked="" type="checkbox"/>	Capital Cost Escalation						
	<input type="checkbox"/>	Performance Plan Scrutiny								
Is this a cross-Vote initiative?	No	If yes, indicate which other Votes are affected								
Does this require legislative change?	No									
Agency contact	Name: Lucy Hickman Phone: [REDACTED]		Treasury contact (Vote Analyst)	Name: Yi Jin Phone: [REDACTED]						
Section 1B: Summary of funding profile										
Operating costs associated with initiative (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30					
1.700	39.796	65.042	25.451	12.378	79.962					
2030/31	2031/32	2032/33	2033/34	2034/35	Total					
The three-year funding profile for 2027/28 – 2029/30 above is repeated on an ongoing basis					224.329					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete “& outyears” for time-limited funding. See the Budget 2025 Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet.										
Capital costs associated with initiative (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	31/32	33/34*	Total
-	1.700	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	11.300
*Funding is needed beyond 2033/34										

Section 2: Alignment and options analysis

There are **specific sections to complete based on the PA Objective of the Initiative** (feel free to delete non-relevant sections of the template):

- Cost Pressures, Capital Cost Escalations and Performance Plan Scrutiny: **Section 2A and 2C**
- New Spending Commitments and Capital Investments: **Section 2B and 2C**

Section 2A: Problem definition – Cost Pressure

The answer to each question must not exceed 1-2 paragraphs

Type of cost pressure (select 1)	<input checked="" type="checkbox"/> Wage	<input checked="" type="checkbox"/> Price	<input checked="" type="checkbox"/> Volume	<input type="checkbox"/> Other
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What is the cause of the cost pressure?

New Zealand elections are face to face requiring a spread of venues nationwide. Some parts of the Electoral Act prescribe how enrolment and election tasks must be done as well as what must be done. The core election services rely on a temporary workforce large enough to issue and count votes, the availability of suitable locations, the production and transport of large amounts of printed materials and the availability of postal delivery services.

Election service cost escalation is driven by:

- Population growth- increasing the volume of transactions
- Population mobility leading to more changes of enrolment details required
- Changing expectations of services leading to growth of enrolment updates while voting and special votes which are more complex and take longer to process
- Increasing costs over all categories but particularly the main cost drivers of property, post, people and print

There are limited options to adapt settings to address these drivers:

- Volume cannot be reduced as it is driven by population growth
- Quality cannot be reduced as the integrity and accuracy of the election is critical to stable transfer of power and public confidence
- Services must provide opportunities for all eligible voters to participate
- Time to service the population growth cannot be extended and if possible, should be reduced

Election service levels are calculated based on size and distribution of eligible voting population, spread of voting locations to reach population, hours of available voting services and vote issuing points per voting place.

Projected population increases and increases in special votes means:

- more staff are needed to issue and process votes, increasing wage costs.
- more locations are needed (over and above schools), increasing property cost.
- more paper, supplies and post costs.

The growth of these costs against population growth is shown below.

Table 1 outlines the growing pressures of volume and fixed costs.

General Election Year:	Actual					Estimated		
	2011	2014	2017	2020	2023	2026	2029	2032
Eligible population	3,276,000	3,391,100	3,569,830	3,772,100	3,893,946	4,162,000	4,325,000 ¹	4,496,000 ¹
Number Special votes	263,469	331,005	446,287	504,621	602,488	739,870 ²	864,952 ²	999,056 ²
% Special Votes	11.6%	13.5%	17%	17.3%	20.9%	24% ³	27% ³	30% ³
Enrolment Transactions During Voting Period	N/A	146,714	202,173	310,471	453,940	590,122 ⁴	737,653 ⁴	885,183 ⁴
Number of votes (total)	2,278,989	2,446,297	2,630,173	2,919,073	2,884,111	3,124,548	3,205,581	3,336,279
Percentage increase in votes	-4.1%	7.3%	7.5%	11.0%	-1.2%	8.3%	2.6%	4.1%

¹ 2029 and 2032 eligible population estimates follow trend and include estimated overseas voters, but are not from official Stats NZ projections

² Based on 2023 turnout percentage and enrolment rate

³ 3% growth based on historical increases

⁴ Assumes a tapering trend in voting period enrolments

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Table 2 outlines the growing pressures of inflation and supply costs⁵

General Election Year:	Actual					Estimated		
	2011	2014	2017	2020	2023	2026	2029	2032
Average property cost per sqm	N/A	N/A	\$209.57	\$232.24	\$303.48	\$349.31	\$402.06	\$462.78
Printing, stationery and postage	N/A	N/A	\$9.55m	\$14.6m	\$16.8m	\$40.6m	\$74.5m	\$146.6m
Employee related expenses	N/A	N/A	\$42.18m	\$79.46m	\$124.9m	\$163.1m	\$173.8m	\$189.2m

Outdated systems and processes are contributing to inefficiency, creating risk and constraining innovation to control cost growth.

Inefficient processes and systems are creating error and risk which are costly to address. The growing complexity of election processes has also contributed to ineffective controls, growing pressure in the voting period and risk to the timely return of results. A set of improvements is required to respond to the challenges in the 2023 general election that led to errors in the official count process.

Process simplification and improvement is needed to

- reduce inefficiencies and bottlenecks,
- reduce risk of errors in the election process and count, and
- create a stable platform for future technology to modernize and speed up the election process.

Bespoke and outdated systems are costing more to maintain for less value. The Commission relies on several core systems to run elections. Three systems (enrolment, election management and electronic roll scrutiny) are end-of-life systems with a layer of coded business rules that extract and manipulate data. As the election settings and processes have become more complex, the layers of code (and the language used to code) require significant effort to maintain and implement new operational and policy settings.

Modernisation is needed to accommodate the growth in voting population. By 2032, the fully manual election delivery model, will struggle to accommodate the overall volume of votes in a constrained period. Changes are needed to:

- Remove complex, costly and time-consuming activities from the voting period by implementing direct enrolment and increasing enrolment rates through sharing of government data.
- Enable the Commission to use digital technology to communicate more effectively with electors and reduce cost.
- Progressively automate key processes to increase timeliness and reduce cost.
- Implement election technologies that provide a step change in managing volume of voters, reduce complexity and risk and decrease voting, processing and counting time.

Funding is sought to:

- **Enable the most efficient delivery of the 2026 General Election** that ensures those that wish to vote can, any referendum can be conducted, waiting times and availability of voting places are not a barrier to participation, risk of error is managed and the support structure (e.g. people, property) can be provided.
- **Strengthen and speed up the underlying election processes** to ensure the integrity of the result, remove volume and inefficiency and support the introduction of future technology.
- **Modernise electoral systems** to control ongoing cost and volume growth and improve timeliness. This includes a changed model of enrolment, new, more efficient ways of interacting with the public and utilising election technologies to provide a step change in the efficiency and timeliness of the voting and count process.

Why is the cost pressure unmanageable?

The Electoral Commission baseline is \$245.817m over the 3-year cycle. Volume and cost increases mean that with slightly reduced levels of election services (compared to the 2023 election) the Commission faces a shortfall of \$138.525m over the next 2 election cycles (6 years) compared to the baseline funding.

Additionally, investment is needed to respond to the recommendations included in the OAG report of the [2023 general election](#), to improve the integrity of the electoral system processes and quality controls, and to reduce the number of special votes and improve timeliness.

The Commission has examined its cost base and made some efficiencies such as reducing overall property footprint for some offices. It has assessed all elements of its election service model, reduced public awareness and education by 20%, reduced in person education and reduced expenditure on the local body election mail outs.

⁵ These costs are not volume inflated beyond GE26. Not related to the volume table above

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	<p>Modelling shows that an election funded solely within current baseline is not operationally feasible. At preferred level, additional funding will provide stability to support a referendum and focus on integrity improvements. At scaled option levels, even with full funding for improvements, a considerable proportion of the Commission’s effort will be directed toward mitigating the increased risk of service failure, reducing the impact of fewer opportunities to vote and longer queuing times on participation, and public confidence in the election.</p> <p>In addition to offsetting cost pressures, funding is sought to begin to modernise the electoral system. This investment is expected to control cost growth in the near term through reducing volume of transactions at critical periods, reducing complexity and reducing cost while preparing the electoral system to adopt election technologies that will significantly improve timeliness, accuracy and the resilience of the system to future growth. There is also no room to absorb costs related to running by-elections and referendums.</p>			
Alignment to Government Priorities (if alignment to multiple Priorities is possible, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input checked="" type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input type="checkbox"/>	Not Aligned
	<p>Preferred options proposed will increase efficiency and timeliness of the electoral system, ensure that it is able to accommodate future population growth while maintaining the electoral system’s high performance against the objectives of the Electoral Act (to facilitate participation in parliamentary democracy, promote understanding and maintain confidence in the electoral system).</p>			

Section 2C: Options analysis

The answer to each question must not exceed 1-2 paragraphs

What was the range of options considered?	<p>5 scenarios have been analysed involving different levels of service, capability, and risk. Allowance has been made for delivery of a referendum. Modernising the electoral system is considered separately.</p> <p>Scenario 1 Baseline Funding –this scenario is not presented as election service levels are reduced to a point where it was not possible to deliver services required by legislation or provide sufficient voting opportunities to accommodate the number of eligible voters.</p> <p>Scenario 2 Preferred – provides slightly reduced service levels from the 2023 election. Includes investment to enable the Commission to respond to increased volume, remove complexity and risk from its processes and make the required integrity improvements. This will meet public expectations and improve the integrity and resilience of the electoral system. Temporary staff numbers required will pose challenges for recruiting with approximately 3,800 more roles to recruit than we recruited in 2023.</p> <p>Scenario 3 Scaled v1 Reduced service levels with integrity improvements retained at preferred levels. A reduction of approximately \$10m in service cost by reducing advance voting days. Retains the improvements to integrity and resilience of the system but introduces operational risk due to the high number of temporary staff needed (approximately 10,000 more roles than 2023). Predicted increase in waiting time is much higher than New Zealanders are used to and will likely impact participation. This scenario will provide mitigation of risk of voting place error due to pressure from integrity improvements.</p> <p>Scenario 4 Scaled v2 Reduced services levels as in Scenario 3 and reduced integrity improvements. Integrity improvements are unlikely to offset the complexity introduced by error in the voting place due to pressure.</p> <p>Scenario 5 Scaled v3 Very minimal improvements. Significant waiting times are likely to severely impact voter participation, trust and confidence.</p> <p>Options were considered against the degree that they; enable voters to exercise their rights, deliver accurate and timely results, enable efficient administration, maintain the integrity of the electoral system, sustain future change, build resilience.</p> <p>Note- all scenarios include provision for 1 by-election each calendar year and one referendum in GE2026.</p>											
	<p>Table 3: Election Services Scenarios</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Preferred- \$224.329m</td> <td style="text-align: center;">Scaled v1- \$195.700m</td> <td style="text-align: center;">Scaled v2 - \$179.240m</td> <td style="text-align: center;">Scaled v3 - \$116.421m</td> </tr> <tr> <td style="text-align: center;">Election Service Component- \$132.844m</td> <td style="text-align: center;">Election Service Component- \$104.215m</td> <td style="text-align: center;">Election Service Component- \$104.215m</td> <td style="text-align: center;">Election Service Component-\$60.882m</td> </tr> </table>				Preferred- \$224.329m	Scaled v1- \$195.700m	Scaled v2 - \$179.240m	Scaled v3 - \$116.421m	Election Service Component- \$132.844m	Election Service Component- \$104.215m	Election Service Component- \$104.215m	Election Service Component-\$60.882m
Preferred- \$224.329m	Scaled v1- \$195.700m	Scaled v2 - \$179.240m	Scaled v3 - \$116.421m									
Election Service Component- \$132.844m	Election Service Component- \$104.215m	Election Service Component- \$104.215m	Election Service Component-\$60.882m									

BUDGET-SENSITIVE

	Key facts	Key facts (includes referendum)	Key facts (includes referendum)	Key facts (includes referendum)
	<ul style="list-style-type: none"> Total temp staff 27,872 75,859 voting hours 41 votes per hour 898 AV places 2532 ED voting places 392,554 issuing hours 12 days advance voting Waiting time-15min average (up to 30 + min) 	<ul style="list-style-type: none"> Total temp staff 34,072 60,075 voting hours 52 votes per hour 756 AV places 2,833 ED voting places 370,923 issuing hours 7 days of advance voting Waiting time- an additional 30- 1 hour on top of preferred 	<ul style="list-style-type: none"> Total temp staff 34,072 60,075 voting hours 52 votes per hour 756 AV places 2,833 ED voting places 370,923 issuing hours 7 days of advance voting Waiting time- an additional 30- 1 hour on top of preferred 	<ul style="list-style-type: none"> Total temp staff 41,764 38,072 voting hours 82 votes per hour 414 AV places 2850 ED voting places 309,667 issuing hours Equivalent to 3 days advance voting Waiting time – an additional 1.5 hours (up to 4 hours) on top of preferred
	<p>Modernising the electoral system. A set of changes to settings are possible that will retain performance against legislative objectives while increasing the efficiency, timeliness and resilience of the electoral system. In the near term, these changes will offset the cost and time increase due to population changes. These include:</p> <ul style="list-style-type: none"> Implementing direct enrolment- moving the most complex transactions out of the voting period, reducing time, cost and risk of error. Further converting special votes to ordinary votes by changing settings for some voters (for example electors on the unpublished roll). Enabling digital communication with electors increasing efficiency and effectiveness. Developing systems to efficiently manage digital interactions with the public and improve identity verification. Investigating future election technology in the voting place to reduce the time and increase accuracy of voting and counting and to ensure the election model can continue to accommodate population increase. <p>Integrity improvements: Investment in improving the electoral system processes and systems is needed to improve the integrity of those systems and processes, and quality controls, reduce the number of special votes and improve timeliness. Simplifying and strengthening these systems is required to achieve the benefits of technology or legislation changes. See Appendix A for a breakdown of modernisation and improvement options and rationale. The cost difference between the election services component and the total in each scenario reflects these improvements and the initial activities to support the development of modernisation options. Funding for a business case to further develop and progress modernisation options is sought.</p>			
What was the process used to select the preferred option?	<p>Election service level options were developed by setting aside existing operational models and service targets and rebuilding the election staffing, issuing and voting place models. The assumptions and cost model were independently reviewed. Scenarios were then verified by running through the standard election operational models which confirmed their accuracy.</p> <p>The Commission has also examined its election processes to identify systemic impacts of proposed changes and the time and efficiency impact of respective changes.</p> <p>The impact of respective modernisation options on overall special votes and processing cost and time have been modelled.</p>			
Interaction with savings proposals	N/A			

Section 3: Costs and Benefits Analysis

All initiatives need to complete section 3A and 3B.

All initiatives except those submitted by:

- agencies provided with an envelope, or
- economic growth initiatives that are asked to provide a fiscally neutral option

are required to complete section 3C.

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs.

<p>What outcome(s) would the initiative achieve?</p>	<p>This initiative seeks to maintain or improve performance against the objectives in the Electoral Act: facilitate participation in parliamentary democracy, promote understanding of the electoral system and maintain confidence. Performance against these objectives is measured through the Commission's performance measures.</p> <p>Successful implementation of funded improvements and modernisation options are expected to achieve the following additional benefits in the near term:</p> <p>Table 4: Estimated benefits</p> <table border="1"> <thead> <tr> <th></th> <th>2026</th> <th>By 2029</th> <th>By 2032</th> </tr> </thead> <tbody> <tr> <td>Digital Communications (estimated)</td> <td>30% reduction in estimated EasyVote postal costs</td> <td>37% of post costs avoided</td> <td>80% of post costs avoided</td> </tr> <tr> <td>Direct enrolment (estimated)*</td> <td>Reduction of 100,000 special votes</td> <td>Reduction of 237,580 special votes</td> <td>Reduction of 310,428 special votes</td> </tr> <tr> <td>Reduction of special votes (estimated)</td> <td>Reduction of 90,159 issuing and processing hours</td> <td>Reduction of 184,555 issuing and processing hours</td> <td>Reduction of 235,045 issuing and processing hours</td> </tr> </tbody> </table> <p>* Reduction due to introduction of data matching.</p> <p>From 2029 estimated benefits reflect introduction of direct enrolment and assisted enrolment, removal of occupation and honorifics from rolls.</p> <p>Fuller benefits and impacts will be tested through the development of a business case. Introduction of direct enrolment and digital communication will have a positive benefit for most voters and will particularly support participation by new migrants, youth, Māori and groups with lower housing stability (note that Census data indicates that 20% of the population have lived at their current address for less than 12 months and 53% for less than five years).</p> <p>The preferred scenario, combined with modernisation options seeks to:</p> <ol style="list-style-type: none"> 1. In the near term- increase the resilience of the election model to adapt to increasing volume and control costs 2. By 2032, have redesigned the election operating model and have fully implemented technological solutions that reduce the time to return the official count to 14 days. 		2026	By 2029	By 2032	Digital Communications (estimated)	30% reduction in estimated EasyVote postal costs	37% of post costs avoided	80% of post costs avoided	Direct enrolment (estimated)*	Reduction of 100,000 special votes	Reduction of 237,580 special votes	Reduction of 310,428 special votes	Reduction of special votes (estimated)	Reduction of 90,159 issuing and processing hours	Reduction of 184,555 issuing and processing hours	Reduction of 235,045 issuing and processing hours
	2026	By 2029	By 2032														
Digital Communications (estimated)	30% reduction in estimated EasyVote postal costs	37% of post costs avoided	80% of post costs avoided														
Direct enrolment (estimated)*	Reduction of 100,000 special votes	Reduction of 237,580 special votes	Reduction of 310,428 special votes														
Reduction of special votes (estimated)	Reduction of 90,159 issuing and processing hours	Reduction of 184,555 issuing and processing hours	Reduction of 235,045 issuing and processing hours														
<p>How will these outcomes be measured and evaluated?</p>	<p>Sustained performance against objectives as measured by the Commission's Statement of Performance Expectations.</p>																
<p>Evidence and assumptions</p>	<p>Key planning assumptions</p> <ul style="list-style-type: none"> • General Election (GE) date of 19 September 2026 for planning purposes only and 21 November 2026 as latest feasible date for costing purposes. • It is expected that the Commission will generate interest income from short term investments as well as revenue through third party sales of electoral rolls and habitation indexes. • Estimated eligible population is 4.2m and 4.3m in GE26 and GE29, respectively with 94.7% expected enrolment rate. • The expected increase in special votes in GE26 is 16% (23.7% of total votes, being 3% more than GE23). • Opening hours: GE26 – 82,226, GE29 – 82,233; Total worked hours by voting services staff: GE26 – 1,095,275, GE29 – 1,147,335; Election day voting places: GE26 – 2,782, GE29 – 2,721; Advance voting places: GE26 – 971, GE29 – 968. • A 12-day advance voting period, including two weekend days, to support advance voting. • Service design capacity to support a potential turnout of 82%. • Included the approval of funding for the introduction of new roles to address capability and capacity issues identified in the 2021 PwC Capability Report, and Office of the Auditor General (OAG) report. Also includes integrity improvements in response to the OAG review 																

BUDGET-SENSITIVE

	<p>of errors in the GE23 official count, critical systems improvements, and volume related improvements to deliver results on time.</p> <ul style="list-style-type: none"> • Supporting local body elections. • Servicing Representation Commission. • Running of by-elections. • Funding for business case on options for modernising delivery of the general election. • Running the term of Parliament referendum alongside the 2026 general election. <p>Exclusions This initiative excludes costs for the following:</p> <ul style="list-style-type: none"> • new spending or significant investment for modernising delivery of electoral events.
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Climate impact	<input type="checkbox"/>	Yes – emissions impacts (positive or negative)	<input type="checkbox"/>	Yes – climate adaptation or resilience impacts (positive or negative)	<input checked="" type="checkbox"/>	No impact
	-					

Section 3B: Expenditure profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings	<ul style="list-style-type: none"> • CPI and wage inflation (LCI) rates are taken from the economic indicators as per Budget Economic and Fiscal Update (BEFU) 2024 published by the Treasury on 30 May 2024. It is assumed that CPI and LCI for financial years outside Treasury's forecast to continue at FY28 level. • Temporary staff working on the election will be paid at least the Living Wage. The Living Wage is \$26/hr for FY24 and expected to go up by 6.9% in FY25. For FY26 and onwards, rates are assumed to be consistent with the LCI as published by the Treasury. • Postage is weighted on Zones/Address accuracy, the rate change is calculated based on the GE23 weightings being 24.03%, 28.82% and 25.81% for FY23, FY24 and FY25, respectively. Noting that FY25 is known, FY26 & FY27 increase of 28% is an estimate supplied by NZ Post. It is assumed that inflation for FY28 and onwards to continue at FY27 level. • Rent prices increased 4.8% in the 12 months to the June 2024 quarter as published by Stats NZ. It is assumed that rate to remain stable for the outyears. Rent on temporary premises is expected to increase by 4.8% a year, however it is assumed no increase during election year for headquarters due to contracts being fixed per election cycle. • Security is proportionate to the costs of voting places including headquarters. LCI rates have been applied as security is predominantly personnel. • The on-costs rate on FTE staff is 4.42%: <ul style="list-style-type: none"> ○ ACC levy - 0.12% ○ KiwiSaver - 4% ○ Annual leave - 10.1% ○ Annual leave taken - (7.6%) ○ Long service leave - 1% ○ Vacancy lag - (3.2%) • The on-costs rate on temporary staff is 11.12%: <ul style="list-style-type: none"> ○ ACC levy - 0.12% ○ KiwiSaver - 3% ○ Holiday pay - 8% • Capital charge is 5% of the total capital funding sought. • The cost of significant enhancements to on-premises software is assumed at \$1.2m per annum. • The cost of operating projects including SaaS, fixes and maintenance is \$1.5m at each electoral cycle.
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Provide a breakdown of existing and additional funding sought by individual expense category and agency. Add additional rows as appropriate for additional expense categories.

Operating expenses (\$m)						
Existing operating funding (\$m)						
Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Current baseline	40.258	80.774	125.895	40.258	80.774	125.895

BUDGET-SENSITIVE

Less: Election Access Fund	(0.370)	(0.370)	(0.370)	(0.370)	(0.370)	(0.370)
Net current baseline	39.888	80.404	125.525	39.888	80.404	125.525
	2030/31	2031/32	2032/33	2033/34	2034/35	Total
Net current baseline	The three-year funding profile for 2027/28 – 2029/30 above is repeated on an ongoing basis					491.634
Operating costs associated with initiative (\$m)						
Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Inflation – Price	-	5.007	13.634	11.420	8.073	38.481
Inflation – Wage	-	3.631	8.776	3.314	6.221	16.265
Volume (Population growth, voter turnout & special votes)	-	0.047	6.562	-	0.177	11.238
Integrity improvements including additional capability uplift	-	17.579	10.615	1.451	1.757	8.022
Formulation of business case on exploring options for modernising delivery of electoral events	-	5.229	2.614	1.421	1.146	0.352
By-election*	1.700	1.700	1.700	1.700	1.700	1.700
Referendum**	-	7.486	17.932	-	-	-
Representation Commission***	-	1.542	-	-	-	1.458
Māori Electoral Option (MEO)****	-	2.774	-	2.648	0.126	-
Corporate projects	-	1.020	0.260	0.265	1.082	0.276
Depreciation and capital charge	-	0.253	0.379	0.364	0.351	0.560
Others*****	-	(6.472)	2.570	2.868	(8.255)	1.610
Total	1.700	39.796	65.042	25.451	12.378	79.962
	2030/31	2031/32	2032/33	2033/34	2034/35	Total
Total	The three-year funding profile for 2027/28 – 2029/30 above is repeated on an ongoing basis					224.329

* The Commission has undertaken at least three by-elections on average every electoral cycle. Due to uncertainty of occurrence of by-election, the Commission seeks a tagged contingency with expiry date of 30 June each year, if an event does not occur.

** The referendum costs are for the term of Parliament referendum alongside the 2026 general election that have been included in a Cabinet paper for approval for "out-of-cycle" funding.

*** The Representation Commission that has been previously funded separately.

BUDGET-SENSITIVE

**** The MEO campaign has historically been once every five years, but recent changes have required the Commission to complete an information campaign prior to each local body election and general election.

***** Others include significant reduction in costs particularly in contactors and consultants, and some saving initiatives on discretionary spends such as travel, advertising, learning & development, among others. These also include a timing of spend in supporting LBE due to an extension of voting period by a further two weeks which has resulted in an earlier enrolment cut-off date. This means the enrolment update campaign costs that would typically be spent in Year 2 of the 3-year cycle will now be incurred in Year 1. Incremental costs, however largely relate to the increase in KiwiSaver contribution from 3% to 4%, plus provision for parental leave top-up for 26 weeks to eligible employees.

Personnel expenditure (\$m) – please state impact at the initiative level

	2024/ 25	2025/26	2026/ 27	2027/28	2028/29	2029/30
Net FTE funding	-	7.719	4.167	1.017	0.887	0.500
Net contractor/consultant funding	-	-	-	-	-	-
Net temporary field casuals*	-	-	2.874	-	-	2.715
Net on-costs	-	-	-	-	-	-
Total personnel costs (\$m)**	-	7.719	7.042	1.017	0.887	3.215

The three-year funding profile for 2027/28 – 2029/30 above is repeated on an ongoing basis.

* Temporary field casuals are paid hourly, and not counted as FTEs. Total expected hours worked in GE26 & GE29 are 1,095,275 and 1,147,335, respectively.

** Total personnel do not include costs associated with by-elections and referendums as well as the formulation of the business case for general election modernisation.

FTE implications – please state impact at the agency level

	2024/ 25	2025/26	2026/ 27	2027/28	2028/29
Total # of net FTEs – Employees including fixed termers	-	51.8	27.3	5.9	5.5
Total # of net FTEs – Contractors/consultants	-	-	-	-	-
Total # of net FTEs over the forecast period	-	51.8	27.3	5.9	5.5

Total # of net FTEs over the forecast period

3.3 The three-year funding profile for 2027/28 – 2029/30 above is repeated on an ongoing basis.

FTEs don't include temporary field casuals in Voting services with total hours worked: GE23 – 979,598; GE26 – 1,095,275; GE29 – 1,147,335.

Additional occupation breakdown of FTE changes (count) over the forecast period

Occupation	2024/ 25	2025/26	2026/ 27	2027/28	2028/29 & outyears
Managers	-	-	-	-	-
Policy Analyst	-	-	-	-	-
Information Professionals	-	-	-	-	-

BUDGET-SENSITIVE

Social, Health and Education Workers	-	-	-	-	-
ICT Professionals and Technicians	-	51.8	27.3	5.9	8.8
Legal, HR and Finance Professionals	-	-	-	-	-
Other Professionals not included elsewhere	-	-	-	-	-
Inspectors and Regulatory Officers	-	-	-	-	-
Contact Centre Workers	-	-	-	-	-
Clerical and Administrative Workers	-	-	-	-	-
Other Occupations	-	-	-	-	-
Would funding this initiative impact current employees?	No.				

Existing capital funding (\$m)

Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
Current baseline	-	-	-	-	-	-	-	-	-	-	-

Capital costs associated with initiative (\$m)

Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
Systems enhancement	-	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	10.800
Office refurbishments	-	0.500	-	-	-	-	-	-	-	-	0.500
Total (\$m)	-	1.700	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	11.300

*Funding is needed beyond 2033/34

Section 3C: Scaled Options

Operating expenses (\$m)

Operating expenses and reprioritisation (\$m)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Preferred option	1.700	39.796	65.042	25.451	12.378	79.962
Reduction in advance voting period from 12 to 7 days	-	-	(5.174)	-	-	(5.280)
Reduce in person engagements	-	(0.885)	(1.885)	(1.677)	(2.043)	(1.570)
No return envelopes on general election	-	(0.003)	(0.988)	-	(0.007)	(2.150)

BUDGET-SENSITIVE

update including MEO campaign						
Reduction in voting places by increasing issuing points at existing voting places			(1.435)			(1.611)
Removal of inserts with EasyVote card	-	-	(0.892)	-	-	(0.947)
Reduction in electorate headquarters office space from 709 to 675sqm average	-	(0.365)	(0.366)	-	(0.418)	(0.419)
Removal of kids voting	-	-	(0.125)	-	-	(0.132)
Removal of costs for overseas in person voting except Defence Force	-	-	(0.120)	-	-	(0.138)
Net Total (\$m) – 87% (Scaled v1)	1.700	38.543	54.057	23.774	9.910	67.715
Preferred option	1.700	39.796	65.042	25.451	12.378	79.962
Reduction in advance voting period from 12 to 7 days	-	-	(5.174)	-	-	(5.280)
Reduce in person education	-	(0.885)	(1.885)	(1.677)	(2.043)	(1.570)
No return envelopes on general election update including MEO campaign	-	(0.003)	(0.988)	-	(0.007)	(2.150)
Reduction in voting places by increasing issuing points at existing voting places			(1.435)			(1.611)
Removal of inserts with EasyVote card	-	-	(0.892)	-	-	(0.947)
Reduction in electorate headquarters office space from 709 to 675sqm average	-	(0.365)	(0.366)	-	(0.418)	(0.419)
Removal of kids voting	-	-	(0.125)	-	-	(0.132)
Removal of costs for overseas in person voting except Defence Force	-	-	(0.120)	-	-	(0.138)
Reduced integrity improvements to	-	(6.602)	(5.225)	(0.328)	(0.532)	(3.772)

BUDGET-SENSITIVE

minimum viable package											
Net Total (\$m) – 80% (Scaled v2)	1.700	31.941	48.832	23.446	9.378	63.943					
Preferred option	1.700	39.796	65.042	25.451	12.378	79.962					
Reduction in advance voting period from 12 to 3 days	-	-	(8.264)	-	-	(8.766)					
Reduce all in person education	-	(3.958)	(5.450)	(3.575)	(4.885)	(5.252)					
No return envelopes on general election update including MEO campaign	-	(0.003)	(0.988)	-	(0.007)	(2.150)					
Reduction in voting places by increasing issuing points at existing voting places			(1.435)			(1.611)					
Removal EasyVote card	-	(0.097)	(7.336)	-	(0.106)	(15.996)					
Reduction in electorate headquarters office space from 709 to 675sqm average	-	(0.365)	(0.366)	-	(0.418)	(0.419)					
Removal of kids voting	-	-	(0.125)	-	-	(0.132)					
Removal of costs for overseas in person voting except Defence Force	-	-	(0.120)	-	-	(0.138)					
Remove corporate projects	-	(1.020)	(0.260)	-	-	-					
Reduced integrity improvements to capability uplift only	-	(15.942)	(9.742)	(0.443)	(1.287)	(7.252)					
Net Total (\$m) – 52% (Scaled v3)	1.700	18.411	30.956	21.433	5.675	38.246					

The three-year funding profile for 2027/28 – 2029/30 above is repeated on an ongoing basis.

Capital expenses (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
Systems enhancement	-	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200	10.800
Office refurbishments	-	0.500	-	-	-	-	-	-	-	-	0.500
Total (\$m)	-	1.700	1.200	11.300							

*Funding is needed beyond 2033/34

Scaling of initiative The Commission has identified 3 scaled options that are lower in cost but higher risk than the preferred option. These are described below and Table 5 below summarises these options.

BUDGET-SENSITIVE

Scaled v1

This option retains a full set of integrity improvements and modernisation but further reduces 2026 general election service levels. These include reducing advance voting days from 12 to 7, reducing community facing roles, reducing the number of voting places (and increasing the number of issuing points in the remaining voting places), not including return envelopes for enrolment update campaigns for both the Māori Electoral Option and the 2026 general election, not including any information in our EasyVote card mailout around voting places or candidates, reducing the space for our 64 electorate headquarters, reducing in-person overseas voting to Defence Force only and the one legislatively required face to face voting place and removing all kids voting. In this option there will be more challenges in recruiting temporary election staff and longer waiting times for voters (1-1.5 hours). Predicted increase in waiting time is much higher than New Zealanders are used to and will likely impact participation. Some mitigation of risk of voting place error due to pressure will come from the full set of improvements however, this will come at a cost of timeliness.

Scaled v2

This option reduces service levels for the 2026 general election as set out in Scaled v1 and also reduces the investment into integrity improvements. The impacts of reduced integrity improvements include: increased risk of error due to pressure on key roles and significant pressure on the voting place, reduced number of special votes avoided, and increased pressure on the official count period. In this option there will be more challenges in recruiting temporary election staff and longer waiting times for voters (1-1.5 hours).

Scaled v3

This option removes nearly all integrity improvements included in our preferred option and significantly reduces our 2026 general election service levels from our scaled v1 and v2 options. These additional reductions include reducing advance voting to 3 days, removing all community facing roles and removing the EasyVote card. Waiting times for voters will be significant (between 1.5 and 4 hours). This option introduces significant operational risk and is likely to severely impact voter participation, trust and confidence.

Table 5: Funding for Preferred Option and 3 scaled options

\$m	Preferred	Scaled v1	Scaled v2	Scaled v3
Inflation	114.822	114.822	114.822	114.822
Volume	18.024	18.024	18.024	18.024
Integrity improvements	39.424	39.424	22.964	4.758
Modernisation	10.762	10.762	10.762	10.762
Unfunded services	5.679	5.679	5.679	4.399
By-election tagged contingency funding	10.200	10.200	10.200	10.200
Referendum costing	25.418	25.418	25.418	25.418
Total	224.329	224.329	207.869	188.383
<u>Reduction in Service Levels for Scaled Options:</u>				
Reduce AV from 12 to 7 days (v1 and v2) to 3 days (v3)		(10.454)	(10.454)	(17.030)
Reduction in community facing roles (v1, v2) no community facing roles (v3)		(8.060)	(8.060)	(23.120)
Rationalisation of VPs		(3.046)	(3.046)	(3.046)
No return envelopes for enrolment update campaigns (MEO and GE)		(3.148)	(3.148)	(3.148)
EasyVote – card only (v1, v2) and no EasyVote (v3)		(1.839)	(1.839)	(23.535)
Reduce HQs from 709 to 675sqm		(1.568)	(1.568)	(1.568)
Reduce overseas voting except Defence Force		(0.258)	(0.258)	(0.258)
Remove kids voting		(0.257)	(0.257)	(0.257)
Total reduction in service levels for scaled options		(28.629)	(28.630)	(71.962)
Total	\$224.329	\$195.700	\$179.240	\$116.421

What are the main risks of the

Risks associated with this option:

- If reduced service levels do not meet the expectations of voters, a decline in trust, confidence and participation may result
- If significant changes to service levels are made, the ability to successfully implement change will be limited

BUDGET-SENSITIVE

options presented above?

- Investing in changes to settings or new technology without the required improvements in underlying election processes may cause service or integrity failures.

Section 4: Delivery

There are specific sections to complete based on the PA Objective of the Initiative (feel free to delete non-relevant sections of the template):

- Cost Pressures, Capital Cost Escalations and Performance Plan Scrutiny: **Section 4A and 4D**
- New Spending Commitments and Capital Investments: **All sections**

Section 4A: Procurement

The answer to each question must not exceed 1-2 paragraphs.

What is the initiative purchasing/funding?

Table 6: Key Resources to be Sourced GE2026

Cost Elements	GE2023 actual	GE2026 (\$m)			
		Preferred	Scaled v1	Scaled v2	Scaled v3
People - temporary election workforce	50.758	82.352	78.043	73.732	66.443
People - permanent	12.901	7.989	7.987	7.987	7.983
Property - temporary offices (headquarters and enrolment) and voting places	19.537	22.703	19.512	19.481	18.478
Property - permanent offices	2.018	0.000	0.000	0.000	0.000
Paper, printing, and postage	16.820	29.467	27.427	25.893	18.306
Advertising campaigns	11.900	14.195	14.071	13.906	13.906
Computers and telecommunications	8.065	6.041	6.041	5.916	5.585
Travel expenses	2.677	2.944	2.808	2.808	2.671
Storage costs	2.475	2.722	2.722	2.722	2.722
Other expenses	6.844	21.978	21.894	16.233	6.809
Total	133.995	190.391	180.505	168.678	142.903

Table 7: Key Resources to be Sourced over 6 years

Cost Elements	Full 6 Years in template (\$m)			
	Preferred	Scaled v1	Scaled v2	Scaled v3
People - temporary election workforce	165.782	157.151	152.482	141.077
People - permanent	16.708	16.702	16.702	16.696
Property - temporary offices (headquarters and enrolment) and voting places	48.479	41.999	41.931	39.698
Property - permanent offices	0.000	0.000	0.000	0.000
Paper, printing, and postage	82.167	76.852	73.776	50.020
Advertising campaigns	29.500	29.242	28.918	28.918
Computers and telecommunications	12.505	12.505	12.247	11.459
Travel expenses	6.066	5.786	5.786	5.503
Storage costs	5.610	5.610	5.610	5.610
Other expenses	34.473	34.480	26.417	13.822
Total	401.290	380.327	363.869	312.803

What market constraints or other delivery risks exist?

Service levels are dependent on the successful recruitment of significant numbers of temporary staff. The Commission's recruitment strategy for each General Election is targeted to sourcing the best available candidate pool. The Ministry of Justice is currently liaising with central agencies to explore options to support the availability of the public sector workforce to support the election.

Property costs are highly market sensitive. Schools and low-cost facilities are used wherever possible, however these are not always suitable for the number and volume of voters. The Ministry of Justice is working with the Government property group to investigate the use of public sector property.

The Commission's MYA will require adjustment to reflect the levels of population growth and service provision over successive cycles.

BUDGET-SENSITIVE

Government Procurement Rules	Any procurement will align with Government Procurement requirements
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Section 4B: Risks, constraints, and dependencies

The answer to each question must not exceed 1-2 paragraphs

What are the main risks?	<p>Risks associated with this option:</p> <ul style="list-style-type: none"> If reduced General Election service levels do not meet the needs of voters, a decline in trust, confidence and participation may result. If improvements to manage integrity and volume are not made, there is a high risk of error in the official results, or the official result is unable to be returned within the statutory period (refer to OAG General Election 2023- Independent Review of Counting errors) If significant changes to service levels are made, the ability to successfully implement modernisation change will be limited. Investing in changes to settings or new technology without the required improvements in underlying election processes may cause service or integrity failures. If sufficient investment (personnel, specialist skill sets and funding) is not available across election cycles, modernisation design will not be completed in time to manage cost, time and volume pressures in General Election 2032. <p>Revenue implications</p> <ul style="list-style-type: none"> If investment in modernising the election is not made, costs will continue to increase at higher rates over successive cycles and the ability to staff the manual delivery of the election will be unfeasible by 2032.
What are the key constraints?	NA
What are the key dependencies?	Modernisation options are dependent on legislation changes likely to be progressed through an Electoral Matters Bill.

Section 4C: Governance and oversight

The answer to each question must not exceed 1-2 paragraphs.

What are the governance arrangements for this initiative?	<p>A modernisation programme will be established with dedicated sponsorship. The business case development will be informed by consultation with a broad range of communities including the disabled community, Māori, Pacific, Asian and youth representatives. We anticipate external advisory to the programme governance group to include Māori representation and expertise in significant technology development.</p> <p>The General Election is governed by a Programme Board which includes external expertise. Reporting is provided to the Electoral Commission Board and to the Minister through quarterly reporting.</p> <p>The Commission proposes a separate funding stream be established for modernisation funding, to be drawn down with agreement from the Minister/ Ministry of Justice. This will support certainty of funding and ensure progress on modernisation activity can be optimised.</p>
Timeframes and monitoring	Programme reporting will be overseen by the Commission with regular reporting to the Minister via the Ministry of Justice.

Section 4D: Demonstrating performance

The answer to each question must not exceed 1-2 paragraphs.

The proposals outlined aim to maintain performance against the objectives in the Electoral Act whilst increasing efficiency, effectiveness and timeliness. The Commission's estimates measures align directly to the objectives in the Act, therefore no changes are required if funding is received. Efficiency and improvement measures will be developed that form a part of the Commission's management reporting framework and can be made available as part of regular reporting. Any modernisation programme established would agree programme benefits and measures which would be included in the Commission's regular reporting to the Minister via the Ministry of Justice.

Section 5: Equity

All initiatives need to complete this section.

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	<p>Service levels for GE 2026 will accrue costs/ benefits in the short term due to the election cycle</p> <ul style="list-style-type: none"> Improvement work will realise benefits mostly for General Election 26 and 29. Costs will accrue between 2025 and 2029
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BUDGET-SENSITIVE

	<ul style="list-style-type: none"> Modernisation will progressively realise benefits (and accrue costs) between 2025 and 2032 with full benefits expected to be realised with technology options delivered for the 2032 election. 			
Treaty of Waitangi (Te Tiriti o Waitangi) Obligations	Yes	<p>Some communities, including Māori have lower electoral participation rates and are more likely to cast a special vote than other electors indicating a high degree of mobility. For example, at the 2023 General Election, Māori voter turnout was lower than non-Māori voter turnout at all ages and in all electorates. The preferred service level scenario enables more targeted engagement and service provision for Māori. Digital communication is also likely to enhance reach to Māori voters who are not reached by postal communication.</p> <p>Voter Turnout Statistics</p>		
Specific implications regarding human rights	Y	<p>Enrolment and voting service levels affects all New Zealanders as they impact on the public's democratic right to choose the government that represents them. Some communities, in particular Māori, Pacific peoples, young people, and people with disabilities, have lower electoral participation rates compared to the overall voter turnout.</p> <p>Accessibility and availability of voting places</p> <p>There is evidence from international studies that the accessibility of voting places impacts on participation and if not well thought out, it can undermine voter experience. A particular area of concern is queue times as they can discourage people from voting. Providing easily accessible voting places with robust queue mitigation ensures the Commission can positively deliver this impact (Improving The Voter Experience Bipartisan Policy Center). Long queuing times will particularly impact elderly, disabled, those with small children and small business owners/ employees.</p> <p>The Commission's own data shows there is a positive relationship between total hours voting places are open and the turnout rate in an electorate. However, longer hours of service require staff for longer periods of time, increasing staffing costs.</p> <p>Advance voting provision supports access to voting for those with family responsibilities, irregular working hours and those reliant on caregiver support (such as some disabled people). These voters are often lower income households.</p> <p>Enabling technology to communicate and engage</p> <p>The latest Census data shows that 20% of the population have lived at their current address for less than 12 months, and 53% of the population less than five years. Ensuring these voters receive communication about their entitlement to vote supports their democratic rights.</p>		
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole?	<i>Māori</i>	Yes - Positive <input checked="" type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input checked="" type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input checked="" type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input checked="" type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input checked="" type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input checked="" type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input checked="" type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input checked="" type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>

BUDGET-SENSITIVE

Distributional Impacts

Election services are designed to ensure all eligible voters can exercise their right to vote. Therefore impacts are indirect. However as noted above, not all voters have the same set of circumstances. Therefore, the type, level and availability of services and communication tools (or reduction of) will disproportionately impact on groups with historically lower turnout. Traditionally these groups are; Māori, Pacific peoples, young people (18-24 year olds), and people with disabilities. Should service levels change significantly from the pattern of previous elections we anticipate new groups being negatively impacted including elderly voters, those with less employment flexibility and rural voters who will have fewer opportunities to vote, further to travel and longer queuing times.

Appendix A

Modernisation and Integrity Improvements

1. Successive general election reports and advice have reported on the need to:
 - Reduce complexity of settings
 - Modernise aging technology systems
 - Provide steady and stable funding streams to enable development and continuous improvement during the Commission's most productive periods
 - Reduce the growing pressure of increasing special votes
2. The [IER](#) report highlights the particular challenges of overly prescriptive legislation and the increasing complexity of the legislation due to piecemeal improvements.

The Office of the Auditor General review

3. In GE 2023, a series of challenges were experienced that have been well canvassed in the [Auditor-General's Independent review of Counting errors](#).¹ This was also discussed at the Justice Select Committee on [23 May 2024](#).
4. The report made seven main recommendations and made a number of observations:
 - a. review all vote counting and quality assurance checks and controls to address gaps and vulnerabilities;
 - b. review and update standard operations manuals and instructions, to improve the clarity of information about quality control activities and why they are important and to clarify accountability and responsibility for carrying them out;
 - c. complete the end-to-end description of the election process and inter-dependencies of activities, and identify controls that support the election process;
 - d. review the personnel requirements for elections, the process for recruiting and training election workers, and planning for contingencies (such as staff unavailability, system outages, and fatigue);
 - e. review hardware requirements, to ensure that electorates have sufficient technology to complete tasks required of them;
 - f. review the information technology systems that support the election process to ensure that they remain fit for purpose for both electorate and National Office functions; and
 - g. enhance risk identification processes and continue to apply programme and project management disciplines (including managing risks) throughout the election period.
5. Many of these responses are underway and are costed as part of the integrity improvements in our budget bid.

PwC review

6. Subsequent to the Auditor-General's findings, the Commission requested that PwC examine the enrolment and post election processes in more detail and specifically to advise ***“What is the level of mitigated risk for the electoral enrolment and electoral results processes, and to what extent do their systems of controls provide confidence that the objectives of those processes will consistently be met?”***

1

https://ndhadeliver.natlib.govt.nz/webarchive/20240119114109mp_/https://electoralreview.govt.nz/assets/PDF/Independent-Electoral-Review-Final-Report-November-2023.pdf

Appendix A

7. The report built on the OAG review and found that whilst the Commission has many processes and controls in place, there is still a significant risk that material errors may be made during the delivery of an election.
8. PwC assessed the level of risk using the following key trends/assumptions:
 - Consistent level of resourcing with prior years.
 - Consistent processes and technology.
 - Similar patterns of behaviours as seen during the 2023 general election cycle (e.g. later enrolment, and increased volumes of special votes).
 - Increasing complexity in the legislative settings.
 - A relatively consistent spread of results, with between 2-6 electorates having a margin following voting of below 100 votes determining the win.
 - The estimated eligible voter population has increased and will continue to (the most likely scenario for the 2026 election is a 3.5-4% increase in population since the 2023 election).
9. **Immediate improvement areas:** The review recommended areas to strengthen risk management maturity, and operational controls. A programme of work to address these is costed in the improvement areas of our budget bid. It should be noted that our management response to the review is awaiting funding decisions as this determines the scope of the improvements that can be implemented.
10. **Strategic interventions:** The review also noted that if the Commission is to address the level of risk in these electoral system areas, without changes to the legislative, delivery and information technology settings, significant change and investment will be required to deliver the **future state**.
 - a. **The future state should be:**
 - ✓ **Streamlined**, to reduce multiple transactions and remove complexity, volume and known blockers from the process. This may include legislative change to simplify and remove risk, or a different operating model within the Commission to deliver enrolment and election processes
 - ✓ **Technology assisted and automated** where appropriate, noting there is likely to be a requirement for a manual count for the foreseeable future. Consider how scanning, optical character recognition (OCR) and artificial intelligence (AI) can identify errors
 - ✓ **Flexible and future proofed**, to set the Commission up to successfully deliver with high-integrity, efficient and responsive tools.
11. A strategic level change is required because the existing administrative processes and technology need **significant change**, that cannot be safely delivered within the limited time available before the next election.
12. To achieve this change, PwC recommended that the Commission need to enable step change, that:
 - a. **Fundamentally changes the volume and flow of enrolment activity across the electoral cycle, so the roll is more consistently accurate and complete, and less change is required during an election period**

Appendix A

- *The single biggest driver of risk in electoral administration appears to be the completeness and accuracy of the electoral rolls in relation to the total eligible population. This drives complexity and has potential to cause (sometimes significant) timeliness challenges downstream in the electoral processes.*
- *Voter behaviour has shifted materially, compared to when the enrolment process was legislated.*
- *The Commission should:*
 - *Take steps to enable rolls to remain up to date throughout the electoral cycle*
 - *As far as is possible and feasible, take action to identify and reach unenrolled people, and electors whose information is not up to date*
 - *Make it easy and transactionally simple for eligible voters to keep electoral roll information up to date; and ensure the systems used to hold and support enrolment data enable these actions.*

b. Fundamentally changes how the Commission uses technology to prevent errors from occurring and to better detect whether errors have occurred by moving away from manual processes and controls

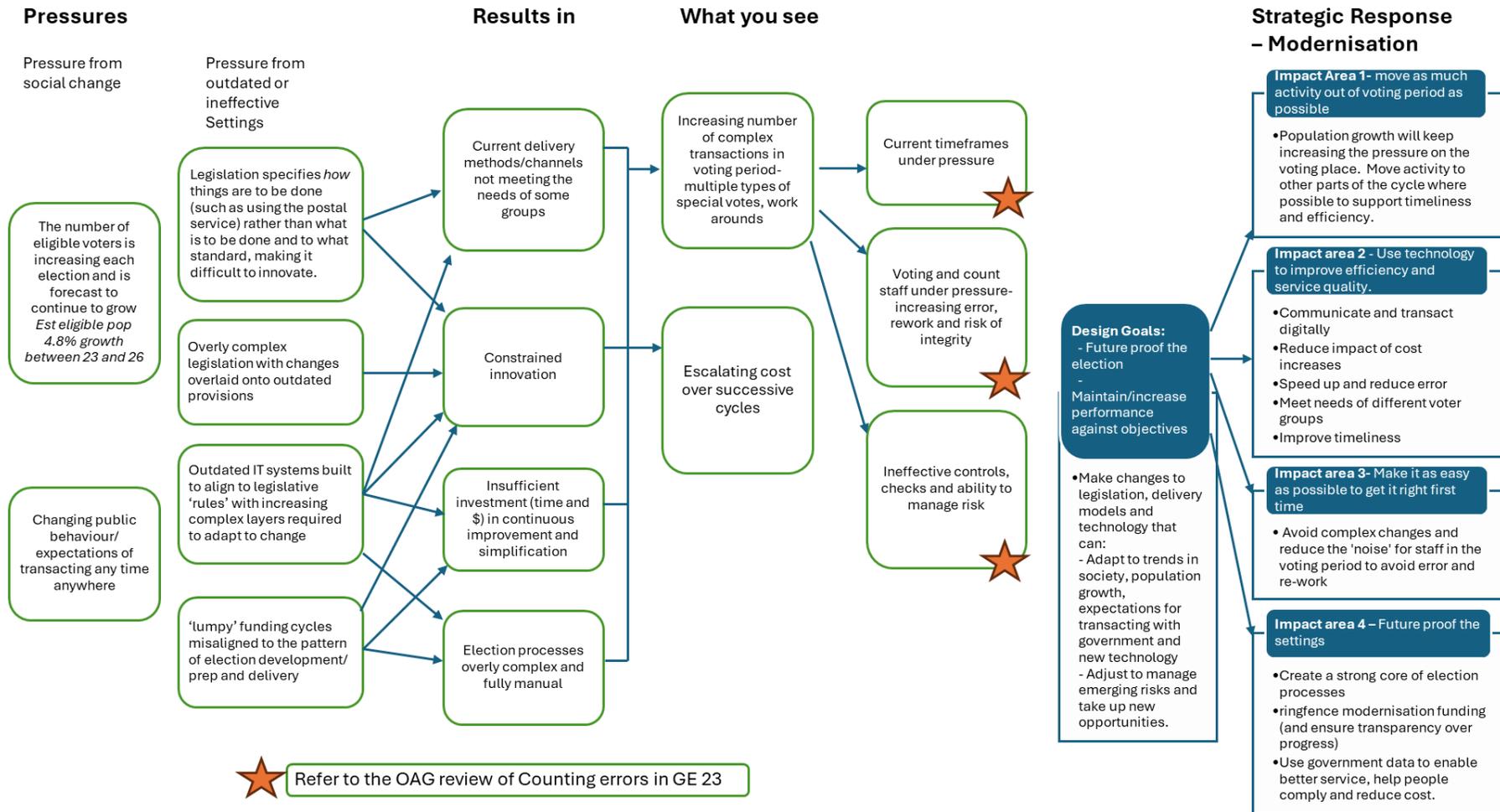
- *The Commission's processes are predominantly manual, and manual processes come with an inherent expectation of error. The additional controls that can be introduced to address areas like data entry and transposition errors will likely require investment, robust trials, and prototyping, but will ultimately increase the integrity of the Commission's processes. Additionally, the technology systems the Commission relies on were built to address different base requirements.*
- *The Commission will have to avoid overinvesting in existing systems that are inflexible and reflect the prescriptive legislation. A greater return in performance will need legislative and service delivery reforms. This may leave some risks not fully mitigated in the short term.*

How our improvements and modernisation components of our budget bid align

13. The set of improvement recommendations in the Commission's budget bid draw from the combined conclusions above and detailed analysis by the Commission of the opportunities to redesign or improve its processes.
14. In addition to directly addressing the recommendations of the OAG, improvement and integrity options have been designed to:
 - Reduce (or smooth) the volume of transactions at critical periods
 - Manage volume: streamline or reduce time to complete key tasks
 - Reduce complexity and effort
 - Improve integrity of our processes, controls and our system.
15. The recommended combination of options is designed to enable, as much as possible, the improvements needed to address integrity issues and the contributing sources of pressure on the election system, particularly with a focus on 2026.
16. The modernisation options address the combination of systemic drivers and strategic level changes identified by PwC and previous reviews. See **Annex one**.
17. A breakdown of integrity improvements is attached as **Annex two**.

Appendix A

Annex One: Systemic drivers and strategic level changes



Appendix A

Annex two: Integrity Improvements

Improvement benefits and costs over 6 years (\$m)

Benefit statement	Cost (preferred)	Cost (scaled)
Benefit 1: Reduce (or smooth) the volume of transactions at critical periods	1.331	1.331
Benefit 2: Manage volume: streamline or reduce time to complete key tasks	6.511	2.722
Benefit 3: Reduce complexity and effort	4.851	2.792
Benefit 4: Improve integrity of our processes, controls and our system	17.727	8.388
Project managers, business analysts and other support across full packages	1.570	1.570
Assurance across change packages on system changes working	2.676	1.403
Subtotal	34.666	18.206
Capability uplift	4.758	4.758
Total cost	\$39.424m	\$22.964m

Appendix A

Benefit 1: Reduce (or smooth) the volume of transactions at critical periods

Options in this category include systems changes to post election processes to reduce bottlenecks by adjusting the order in which tasks are completed, reduce the amount of rework and to oversee and manage the volume of activity throughout the post-election period

Initiative	Preferred (6yrs)	Scaled (6yrs)
Increase automation of TSR transactions by deprioritising the transactions that do not impact on voting rights before post -election roll close. (Enrolment process efficiencies - OAG)	\$385,863	\$385,863
Provide date of birth on roll information available to electorates (ERSA)	\$255,000	\$255,000
Post election -seeing the volume to better identify challenges and act (integrity)	\$690,109	\$690,109
TOTAL	\$1,330,973	\$1,330,973

Appendix A

Benefit 2: Manage volume: streamline or reduce time to complete key tasks

Options in this category include systems changes to post election processes and systems to simplify processes, reduce special votes, target resources in high impact areas, speed up qualification processes. Note- changes to some settings such as changes to unpublished voters to ordinary votes, require legislative change. Items in the scaled option are retained due to the strength of impact on integrity and timeliness. The items in the preferred options reduce overall pressure on key roles and processes.

Initiative	Preferred (6yrs)	Scaled (6yrs)
Remove unnecessary manual duplication of verification for enrol online updates	\$265,053	\$265,053
Improve the flow of 'new' vs 'update'	\$204,654	\$204,654
Provide a proxy EasyVote after using Enrol Online	\$144,377	\$144,377
Role simplification- Reduce contract variations by as far as possible separating legal aspects of work from training, resourcing and monitoring work completed	\$102,000	-
Making DOB an operationally mandatory field in Special Vote Declaration, reduces challenge of qualification	\$371,138	-
Reconciliation app prepopulated with materials issued to a voting place, reducing likelihood of error and avoiding time consuming post-election re-work	\$555,124	\$67,018
Make unpublished voters ordinary votes by using a different unique identifier on their EasyVote card and on the printed roll	\$507,082	-
Inform voters not to update their enrolment status after voting	\$109,862	-
Expand eRoll to enable 'dormant' electors to be updated	\$2,209,836	-
Post election process leaders and Post election manager –adjusted staffing	\$1,478,273	\$1,478,273
Targeted support and flying squad for dual vote investigations	\$562,487	\$562,487
TOTAL	\$6,509,886	\$2,721,862

Appendix A

Benefit 3: Reduce complexity and effort

Options in this category aim to simplify processes and tasks to avoid error in the voting place, automate complex activity and complete proof of concept activities that support future modernisation. Scaled options target core OAG recommendations and modernisation activities. The trade-off between options is an increase in error leading to increased post-election time, reduced ability to recruit temporary workforce and increased special votes.

Initiative	Preferred (6yrs)	Scaled (6yrs)
Increase automation of TSR (enrolment process efficiencies - OAG)	\$314,278	\$314,278
Make Saphire simpler so potential recruits are more likely to complete the process	\$302,448	-
Improve integration of Saphire so field staff have the right access at the right time	\$302,448	-
Systems changes to enable visibility of field activities and personnel demands to enable targeted support and inform future planning and efficiencies.	\$623,170	-
Increase instructions and training to ensure the legibility of enrolment forms Using colour to make it easier - Colour envelope containing enrolment forms Enrolment forms include colour on essential fields Improve training on scanning and uploading forms ASAP after ED Enrolment forms in voting places parcelled on a daily basis to improve visibility of enrolment forms to be processed from voting places	\$213,877	-
Automate qualification of overseas votes – Overseas app	\$1,800,333	\$1,800,333
Reconsider data matching as a stepping stone for digital enrolment – Proof of concept	\$617,052	-
Digital Communications (EUC) – Proof of concept	\$422,306	\$422,306
Digital Communications (EasyVote) – Proof of concept	\$255,000	\$255,000
TOTAL	\$4,850,912	\$2,791,917

Appendix A

Benefit 4: Improve integrity of our processes, controls and our system

Options in this category include a large number addressing improved controls and accuracy, improved risk management and reduction of pressure on the official count timeline. Includes addressing key systems that are out of support. Reducing to the scaled option results in lower quality in risk documentation in election delivery requiring greater oversight and increasing overall integrity risk (although offset somewhat by other improvements).

Initiative	Preferred (6yrs)	Scaled (6yrs)
Staff enrolment processing for the volume required to be processed in time for timely roll close	\$5,007,031	\$2,396,789
Strengthen QA process for merged / over written electors	\$205,577	\$205,577
Blind double entry or watching other person entering results	\$151,611	\$151,611
Voting services quality control sampling	\$423,060	\$423,060
Provide fast feedback when data entered does not match enrolment data	\$612,000	\$612,000
Improve sign off process for final certification - record of issues dealt with and resolved provided as part of sign off process.	\$167,688	\$167,688
Assurance sampling of transactions: Sampling enrolment – OAG Recommendation 1	\$477,732	\$477,732
Assurance sampling of transactions: Sampling Voting Services– OAG Recommendation 1	\$318,488	\$318,488
Risk documentation for election delivery	\$786,275	-
Equipment for election delivery staff	\$4,633,402	\$686,234
Enhancing risk identification processes: Risk management	\$2,045,343	\$681,781
Enhancing risk identification processes: Tools to support	\$581,812	\$581,812
Election Finances	\$153,000	\$153,000
ECHO Replacement	\$1,224,000	\$1,224,000
Party Portal enhancements	\$51,000	-
Review & update standard operations manuals & instructions, to improve the clarity of information about quality control activities and why they are important and to clarify accountability & responsibility for carrying them out.	\$888,331	\$308,078
TOTAL	\$17,726,350	\$8,387,850