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# **Electoral Commission**

## *Te Kaitiaki Take Kōwhiri*

### **Statement of Performance Expectations**

**2016/17 – 2020/21**

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PRESENTED TO THE MINISTER AND PUBLISHED ON THE COMMISSION'S WEBSITE  
PURSUANT TO SECTION 149L OF THE CROWN ENTITIES ACT 2004

**May 2016**

[and to be PRESENTED TO THE HOUSE OF REPRESENTATIVES NOVEMBER 2016  
PURSUANT TO SECTION 149L OF THE CROWN ENTITIES ACT 2004]

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Information on election results: [www.electionresults.govt.nz](http://www.electionresults.govt.nz)



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## Introduction

The Commission is an independent Crown Entity under the Crown Entities Act 2004 responsible for administering all aspects of parliamentary elections and referenda, and is not subject to Ministerial direction in carrying out those functions.

This Statement of Performance Expectations has been prepared in accordance with the requirements of section 149C of the Crown Entities Act 2004. It outlines how we will contribute over the next year and beyond to New Zealand's democracy by impartially, efficiently and effectively administering the Parliamentary electoral laws.

This Statement of Performance Expectations reflects and is intended to be read with the Commission's 2016/17 – 2020/21 Statement of Intent.



Hon Sir Hugh Williams QC  
Chair



Jane Huria CNZM  
Deputy Chair



Robert Peden  
Chief Electoral Officer

## Services for 2016/17

### Work Programme

For 2016/17 the Commission will conduct the Local Government enrolment campaign that starts in June 2016. The Commission will also provide advice, support, planning and implementation (if enacted in time) for any legislative change, in addition to implementation of identified process and service improvements that do not require legislative change.

The 2016/17 work programme includes the following, subject to any required funding:

- progressing the Commission's strategy for promoting participation in parliamentary elections with the goal of:
  - 75% of all voters voting in the 2017 General Election, and 80% by 2020
  - 80% of 18-24 year olds enrolled for the 2017 General Election, and 85% by 2020
  - 90% of New Zealanders expressing confidence in the administration of the electoral system in the annual survey
- completing re-development of the Commission's core Election Management System in time for use with the 2017 General Election
- contributing as required to the electoral policy and legislative reform processes
- progressing a programme for making it easier to enrol and vote at the 2017 General Election including easier access to online enrolment, and enabling enrolment at voting places.

Looking beyond 2016/17 the Commission's work programme encompasses the conduct of the 2017 General Election, the Māori Electoral Option in 2018, support for the work of the Representation Commission in 2018/19, and the conduct of the 2020 General Election.

The Commission had indicated in its 2014/15-2020/21 Statement of Intent that we would pursue an E-Voting solution for voters at the 2017 General Election subject to funding and legislative change. The Government subsequently indicated that e-voting for parliamentary elections was not a priority for 2017. The Commission will however continue to monitor overseas developments in electronic voting.

### Government Funding

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

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

## Summary of Outputs and Output Expenses for 2016/17

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

2015/16 Outlook	Forecast output expenditure	2016/17 Forecast
	<b>Output Class – Provision of Electoral Services</b>	
\$ 7.021m	<b>Output Area - On-going Activities:</b> Output 1: Facilitate participation in parliamentary elections  Output 2: Making available information to assist political parties, candidates, and third parties to meet their statutory obligations in respect of electoral matters administered by the Electoral Commission  Output 3: Promoting public awareness of electoral matters through education and information programmes  Output 4: Providing advice to the Minister and the House on electoral matters, including those referred to the Electoral Commission	\$ 5.827m
\$12.727m	<b>Output Area - Producing And Maintaining Rolls:</b> Output 5: Compiling and maintaining electoral rolls	\$14.534m
\$13.785m	<b>Output Area – Conduct Of Electoral Events:</b> Output 6: Preparation for the conduct of the 2017 General Election	\$12.560m
<b>\$33.533m</b>	<b>Total Forecast output expenditure</b>	<b>\$32.921m</b>
	<b>Forecast revenue</b>	
\$31.416m	<b>Crown Revenue</b>	\$32.239m
\$ 0.900m	<b>Other Revenue</b>	\$ 0.250m
<b>\$32.316m</b>	<b>Total Forecast revenue</b>	<b>\$32.489m</b>
<b>(\$1.217m)</b>	<b>Surplus to / (Shortfall from) Current Reserves</b>	<b>(\$0.432m)</b>

## Forecast Service Performance 2016/17

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

### Impact: New Zealanders Value their Vote

#### Output 1 - Facilitate participation in parliamentary elections

2016/17 Measure	Performance Target	How it will be measured	Current Comparatives
1. Percentage of eligible New Zealanders enrolled	92.6 – 93.5%	Performance data will be recorded by the Commission and reported annually	92.6% (2014 GE)
2. Percentage of 18 to 24 year olds enrolled	76.5 - 80.0%		76.5% (2014 GE)
3. Percentage of enrolled voters voting in 2016/17 By-election/s	40.0 - 50.0%	Performance data will be recorded by the Commission and reported following each event	46% Average over the last 6 By-elections

### Impact: Better Understanding of Elections

#### Output 2 - Making available information to assist political parties, candidates, and third parties to meet their statutory obligations in respect of electoral matters administered by the Electoral Commission

2016/17 Measure	Performance Target	How it will be measured	Current Comparatives
1. Maximum response time to requests for advisory opinions	5 working days	Performance data will be recorded by the Commission and reported annually	2.49 days average (2014/15)
2. Feedback received on advisory opinions indicates satisfaction or better with the standard of the response	90%	Feedback will be gathered by survey and reported annually	86% (2014/15)

#### Output 3 Promoting public awareness of electoral matters through education and information programmes

The 2016/17 year is focused on the planning and preparations for the 2017 General Election. With the exception of the enrolment drive (July to September 2016) for the Council and District Health Board run Local Government Elections our main effort is directed to finalising the public education and information programme for delivery 2017/18. The annual survey we undertake in May of each year is designed to measure

- The level of Confidence in Commission's administration of elections,
- Understand public attitude and intent towards voting
- Understand barriers and opportunities for engagement amongst target audiences

2016/17 Measure	Performance Target	How it will be measured	Current Comparatives
1. Percentage of New Zealanders who express confidence in the administration of the electoral system	90 – 95%	To be surveyed and reported annually	69% (2014/15)

**Impact: Impartial, effective, and efficient administration of elections and referendums**

**Output 4 - Providing advice to the Minister and the House on electoral matters, including those referred to the Electoral Commission**

2016/17 Measure	Performance Target	How it will be measured	Current Comparatives
1. Advice provided does not require further clarification	100%	Performance data will be recorded by the Commission and reported annually	100% (2014/15)
2. Advice is provided within the timeframe requested	100%		100% (2014/15)

**Output 5 - Compiling and maintaining electoral rolls**

During the year the Commission expects to process, accurately and efficiently, upwards of 600,000 applications for enrolment and 1,000,000 updates to enrolled voters information.

2016/17 Measure	Performance Target	How it will be measured	Current Comparatives
1. Percentage of accuracy in processing enrolment applications and notifications of changes to enrolment details held	>99%	To be measured by sample at year-end	99.991% (2014/15)
2. Applications and changes received in any given week are processed on receipt and confirmations (excepting changes to honorifics and occupation) prepared and mailed by the following Tuesday	>99%	Performance data will be recorded by the Commission and reported annually	100% (2014/15)

**Output 6 - Conduct of Electoral Events**

2016/17 Measure	Performance Target
Release of By-election results:	<ul style="list-style-type: none"> <li>• Advance voting results published by 7:30pm</li> <li>• Results for 50% of voting places published by 9:00pm</li> <li>• Full preliminary count results published by 10:00pm</li> <li>• Official results published 11 days after election day</li> </ul>
Release of Referenda results (postal)	<ul style="list-style-type: none"> <li>• Preliminary results published by 8:30pm on the last day of the Referenda voting period</li> <li>• Official results published by 5pm on the second workday following the closing of the Referendum</li> </ul>



## Forecast Financial Statements 2016/17 – 2020/21

### Statement of Forecast Comprehensive Revenue and Expense

<i>Estimated Actual 30 June 2016</i>		<b>2016-17 Forecast</b>	<b>2017-18 Forecast</b>	<b>2018-19 Forecast</b>	<b>2019-20 Forecast</b>	<b>2020-21 Forecast</b>
	<b>Income</b>					
	Crown Revenue for:					
16,526	Electoral Services - Core	27,597	32,376	15,951	27,597	32,376
	Electoral Services - Variable	4,642	19,948		8,714	22,551
	Broadcasting Allocation		2,855			2,855
	Representation Commission		204	1,463		
	Maori Electoral Option		5,218	815		
	By Elections					
14,890	Referenda					
900	Other Income	250	250	250	250	250
<b>32,316</b>	<b>Total Income</b>	<b>32,489</b>	<b>60,851</b>	<b>18,479</b>	<b>36,561</b>	<b>58,032</b>
	<b>Expenditure</b>					
5,656	Personnel	6,319	19,613	4,520	6,760	21,820
14,968	Operating Costs	11,678	17,051	1,188	11,711	17,830
12,727	Enrolment Services	14,534	14,773	12,684	15,107	15,096
	Broadcast Funding Allocation		2,855			2,855
	Representation Commission Expenses		204	1,463		
	Maori Electoral Option		5,218	815		
130	Depreciation	330	330	330	330	330
52	Audit Fee	60	62	54	61	66
<b>33,533</b>	<b>Total Expenditure</b>	<b>32,921</b>	<b>60,106</b>	<b>21,054</b>	<b>33,969</b>	<b>57,997</b>
<b>(1,217)</b>	<b>Net Surplus/Deficit</b>	<b>(432)</b>	<b>745</b>	<b>(2,575)</b>	<b>2,592</b>	<b>35</b>

## Statement of Forecast Changes in Equity

<i>Estimated Actual</i> <i>30 June 2016</i>		<i>June 2017</i> <i>Forecast</i>	<i>June 2018</i> <i>Forecast</i>	<i>June 2019</i> <i>Forecast</i>	<i>June 2020</i> <i>Forecast</i>	<i>June 2021</i> <i>Forecast</i>
6,288	<b>Opening Balance</b>	5,071	4,639	5,385	2,810	5,402
	Crown Capital Funding					
(1,217)	Net Surplus/(Deficit) for the Year	(432)	745	(2,575)	2,592	35
<b>5,071</b>	<b>Public Equity as at 30 June</b>	<b>4,639</b>	<b>5,385</b>	<b>2,810</b>	<b>5,402</b>	<b>5,437</b>

## Statement of Forecast Financial Position

<i>Estimated Actual</i> 30 June 2016		<i>June 2017</i> <i>Forecast</i>	<i>June 2018</i> <i>Forecast</i>	<i>June 2019</i> <i>Forecast</i>	<i>June 2020</i> <i>Forecast</i>	<i>June 2021</i> <i>Forecast</i>
<b>Current Assets</b>						
4,304	Cash & Cash Equivalents	2,363	3,233	855	3,651	4,126
6	Debtors	16	13	8	6	16
	Prepayment					
<b>4,310</b>	<b>Total Current Assets</b>	<b>2,379</b>	<b>3,246</b>	<b>863</b>	<b>3,657</b>	<b>4,142</b>
<b>Current Liabilities</b>						
1,431	Creditors and other payables	431	488	450	438	488
337	Employee entitlements	383	223	216	213	340
<b>1,768</b>	<b>Total Current Liabilities</b>	<b>814</b>	<b>711</b>	<b>666</b>	<b>651</b>	<b>828</b>
<b>2,542</b>	<b>Working Capital</b>	<b>1,565</b>	<b>2,535</b>	<b>197</b>	<b>3,006</b>	<b>3,314</b>
<b>Non-current Assets</b>						
2,513	Property, Plant and Equipment	3,143	2,873	2,633	2,423	2,153
85	Prepayments					
<b>2,598</b>	<b>Total Non-current Assets</b>	<b>3,143</b>	<b>2,873</b>	<b>2,633</b>	<b>2,423</b>	<b>2,153</b>
<b>Non-current Liabilities</b>						
69	Employee entitlements	69	23	20	27	30
<b>69</b>	<b>Total Non-current Liabilities</b>	<b>69</b>	<b>23</b>	<b>20</b>	<b>27</b>	<b>30</b>
<b>5,071</b>	<b>Net Assets</b>	<b>4,639</b>	<b>5,385</b>	<b>2,810</b>	<b>5,402</b>	<b>5,437</b>
<b>Public Equity</b>						
5,071	General Funds	4,639	5,385	2,810	5,402	5,437
<b>5,071</b>	<b>Total Public Equity</b>	<b>4,639</b>	<b>5,385</b>	<b>2,810</b>	<b>5,402</b>	<b>5,437</b>

## Statement Forecast of Cash Flows

<i>Estimated Actual</i> 30 June 2016		<b>2016-17</b> <i>Forecast</i>	<b>2017-18</b> <i>Forecast</i>	<b>2018-19</b> <i>Forecast</i>	<b>2019-20</b> <i>Forecast</i>	<b>2020-21</b> <i>Forecast</i>
<b>Cash Flows from Operating Activities</b>						
<i>Cash was provided from:</i>						
31,416	Crown	32,239	60,601	18,229	27,727	35,231
361	Interest income	250	250	250	250	250
	Unconfirmed Funding				8,584	22,551
	Other Income					
<b>31,777</b>		<b>32,489</b>	<b>60,851</b>	<b>18,479</b>	<b>36,561</b>	<b>58,032</b>
<i>Cash was applied to:</i>						
5,493	Employees	6,319	19,613	4,520	6,760	21,820
26,000	Suppliers	27,991	40,309	16,246	26,885	35,677
<b>31,493</b>		<b>34,310</b>	<b>59,922</b>	<b>20,767</b>	<b>33,645</b>	<b>57,497</b>
<b>284</b>	<b>Net cash flow from operating activities</b>	<b>(1,821)</b>	<b>929</b>	<b>(2,288)</b>	<b>2,916</b>	<b>535</b>
<b>Cash Flows from Investing Activities</b>						
<i>Cash was provided from:</i>						
Disposal of Fixed Assets						
<i>Cash was applied to:</i>						
2,240	Purchase of Fixed Assets	120	60	90	120	60
<b>(2,240)</b>	<b>Net cash flow from investing activities</b>	<b>(120)</b>	<b>(60)</b>	<b>(90)</b>	<b>(120)</b>	<b>(60)</b>
<b>(1,956)</b>	<b>Net increase/(decrease) in cash held</b>	<b>(1,941)</b>	<b>869</b>	<b>(2,378)</b>	<b>2,796</b>	<b>475</b>
6,260	Cash at Start of Year	4,304	2,363	3,233	855	3,651
<b>4,304</b>	<b>Cash held at the end of the year</b>	<b>2,363</b>	<b>3,233</b>	<b>855</b>	<b>3,651</b>	<b>4,126</b>

## Notes to and forming part of the Forecast Financial Statements

### Financial declaration

In issuing these Financial Statements, the Board of the Electoral Commission is acknowledging it is responsible for the information presented, including the appropriateness of the assumptions used.

These Forecast Financial Statements are issued as at 29 May 2016 and are based on the information available at the time.

### Statement of underlying assumptions

#### *Significant assumption*

The forecast financial statements are based on the underlying assumption that in the event that a by-election or citizens initiated referendum is required to be conducted, additional funding will be sought.

#### *Other assumptions*

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

The purpose for which these financial statements have been prepared is to indicate the likely financial impact of the implementation of the Commission's longer term strategic direction. The information disclosed is indicative only and may not be appropriate for any other purpose.

The Forecast Financial Statements are prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with PBE FRS 42 Prospective Financial Statements.

These financial statements are not audited.

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

We have based our occupancy and administration costs on our historical experience. We have included all known or reasonably estimated increases or decreases in any expense category. We have not made any allowance for revaluation of fixed assets in these statements.

Depreciation and amortisation costs are based on the assumption that the Commission will replace assets including software as required.

We assume that there will be no changes to the accounting policies that would materially affect the figures represented at this time.

### Statement of accounting policies

#### *Reporting Entity*

The Electoral Commission is an Independent Crown Entity defined by the Crown Entities Act 2004, and is domiciled in New Zealand. As such the Electoral Commission's ultimate parent is the New Zealand Crown.

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

#### *Basis of preparation*

The prospective financial statements have been adapted to comply with New Zealand International Financial Reporting Standards. The preparation of prospective financial statements in conformity with NZ GAAP and PBE FRS 42 requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure.

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

#### *Accounting policies*

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

### *Revenue*

The Commission derives revenue from the provision of outputs to the Crown and income from investments. Revenue from the Crown is recognised as revenue in the year in which it is appropriated and is reported in the financial period to which it relates. Other revenue is recognised in the period in which it is earned.

### *Goods and Services Tax (GST)*

All items in the financial statements are exclusive of GST, with the exception of receivables and payables which are stated with GST included.

### *Taxation*

The Commission is a public authority in terms of the Income Tax Act 2004 and consequently is exempt from income tax.

### *Fixed assets*

Property, plant and equipment asset classes consist of office equipment, furniture and fittings, computer equipment and leasehold improvements.

Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation.

### *Depreciation*

Depreciation is provided on a straight line basis on all fixed assets at a rate that will write off the cost or valuation of the assets over their useful lives.

The useful lives and associated depreciation rates of major classes have been estimated as follows:

- |                          |     |
|--------------------------|-----|
| • Office Equipment       | 20% |
| • Computer Equipment     | 33% |
| • Furniture & Fittings   | 20% |
| • Leasehold Improvements | 11% |
| • Computer Software      | 33% |
| • EMS System Software    | 10% |

### *Operating leases*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

### *Financial instruments*

The Commission is a party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the prospective statement of financial position and all revenue and expenses in relation to financial instruments are recognised in the prospective statement of comprehensive income. All financial instruments are shown at their estimated fair value.

### *Accounts receivable*

Accounts receivable are stated at their estimated realisable value after providing for doubtful and uncollectable debts.

### *Employee entitlements*

Provision is made in respect of employee entitlements expected to be settled within 12 months of the reporting date (current liabilities) and those beyond 12 months (long-term liabilities). The entitlements are measured at the best estimate of the consideration required to settle the obligation using current remuneration rates. Employee entitlements include accrued salary and wages, unused annual and long-service leave, and accrued retirement leave.



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**Websites**

Information on elections: [www.elections.org.nz](http://www.elections.org.nz)

Information on election results: [www.electionresults.govt.nz](http://www.electionresults.govt.nz)