



Electoral Commission

Te Kaitiaki Take Kōwhiri

Statement of Performance Expectations

2017/18 – 2020/21

PRESENTED TO THE MINISTER AND PUBLISHED ON THE COMMISSION'S WEBSITE
PURSUANT TO SECTION 149L OF THE CROWN ENTITIES ACT 2004
MAY 2017

[and to be PRESENTED TO THE HOUSE OF REPRESENTATIVES NOVEMBER 2017
PURSUANT TO SECTION 149L OF THE CROWN ENTITIES ACT 2004]

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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



Kristy McDonald QC
Deputy Chair



Alicia Wright
Chief Electoral Officer

Services for 2017/18

Work Programme

The Commission's primary output for 2017/18 will be the conduct of the 23 September General Election. Preparatory work for this includes finalising the broadcasting allocations, advice on electoral matters, an electoral roll update campaign (starting in June 2017) followed by the post-election review and report.

Increasing participation has been a focus of the Commission for the last four years. In this election year we will be implementing key initiatives as we work toward the collective goal of seeing:

- 92.6% - 93.5% of eligible New Zealanders enrolled at the time of the 2017 General Election
- 72% - 75% of all New Zealanders eligible to enrol voting in the 2017 General Election
- 76.5% - 80% of 18-24 year olds enrolled for the 2017 General Election
- 90% of New Zealanders expressing confidence in the administration of the electoral system

The key initiatives in our participation campaign for 2017 include:

- Targeted resources for specific audiences
- Engaging stakeholders, key influencers and community organisations to help raise awareness and engagement within their communities
- Community Engagement activities through Registrars of Electors, Community Engagement Advisers and their teams
- Increased workforce diversity
- Media engagement and activity
- Schools-based education resources
- Online and social media engagement
- Advertising and media partnerships

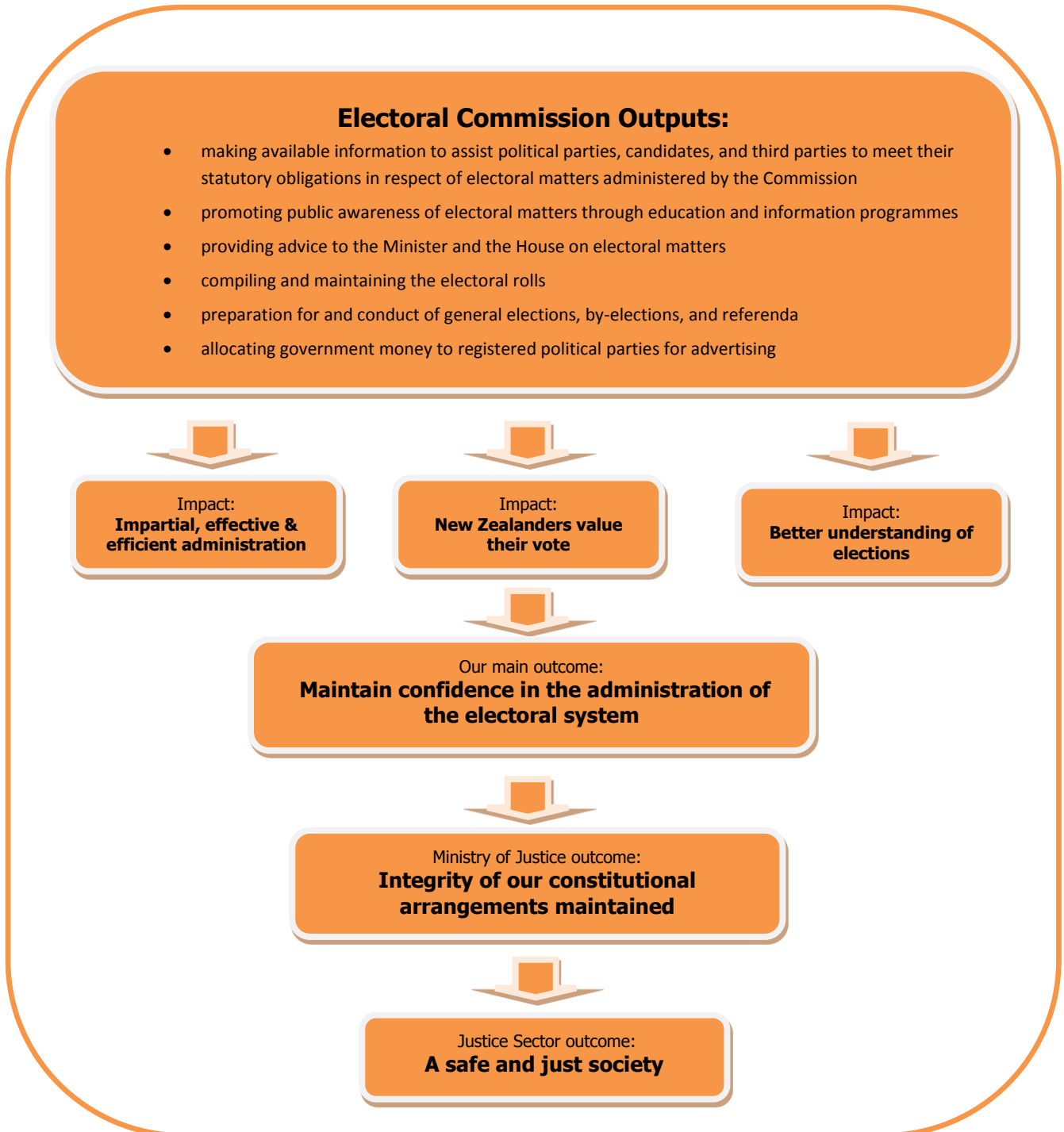
Following the 6 March 2018 Census the Commission will begin the four month Māori Electoral Option campaign. The Commission will then support the work of the Representation Commission that follows those two events. In the following three years the Commission will be undertaking the preparation and conduct of the 2019 Local Authority Enrolment Campaign (June – September 2019), and the next General Election (2020).

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 continues however to monitor overseas developments in electronic voting.

Outcomes framework

The Justice Sector has an aspirational outcome that all New Zealanders should expect to live in a safe and just society. To that end the justice system itself should be underpinned by effective constitutional arrangements. The Commission is part of the Justice Sector so has a role to play in achieving the outcomes set for the sector. The Commission's contribution is to maintain confidence in the administration of the electoral system.

Our framework depicted below summarises our services, the results or impacts they will deliver and how these contribute towards Government priorities for the Justice Sector.



Forecast Service Performance 2017/18

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

2017/18 Measure	Performance Target	How it will be measured	Current Comparatives
1. Percentage of eligible New Zealanders enrolled at the time of the 2017 General Election	92.6 – 93.5%	Performance data will be recorded by the Commission and reported following the election	92.6% (2014 General Election)
2. Percentage of 18 to 24 year olds enrolled at the time of the 2017 General Election	76.5 - 80.0%		76.5% (2014 General Election)
3. Percentage of those eligible to enrol voting in the 2017 General Election	72.00 - 75.0%	Performance data will be recorded by the Commission and reported following the election	72.1% (2014 General Election)
4. Percentage of enrolled voters voting in 2017/18 By-election/s	40.0 - 50.0%	Performance data will be recorded by the Commission and reported following each event	34.25% (2016/17 Average)
5. Percentage of those eligible to enrol voting in any 2017/18 Referendum	60.0 - 70.0%	Performance data will be recorded by the Commission and reported following any Referendum	58.3% (2016/17 Average)

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

2017/18 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	2.1 days average (2015/16)
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	90% (2015/16)

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

The 2017/18 year is focused on the 2017 General Election with the roll out of comprehensive public education and information programme starting in June 2017. Questions around New Zealander's confidence in the administration of the electoral system and the election itself will be included in the post-election survey of voters and non-voters. The questions asked are 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

2017/18 Measure	Performance Target	How it will be measured	Current Comparatives
1. Percentage of New Zealanders who express confidence in the administration of the General Election	90 – 95%	To be surveyed and reported following the 2017 General Election	92% (2014 Post-Election Survey)

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

2017/18 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% (2015/16)
2. Advice is provided within the timeframe requested	100%		100% (2015/16)

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.

2017/18 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%	By a sample of enrolment confirmation letters returned for correction within 2-weeks of mail-out	99.992% (2015/16)
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% (2015/16)

Output 6 - Conduct of Electoral Events

2017/18 Measure	Performance Target	How it will be measured	Current Comparatives
Release of By-election results:	<ul style="list-style-type: none"> On the day of the election: <ul style="list-style-type: none"> Advance voting results published by 7:30pm Results for 50% of voting places published by 9:00pm Full preliminary count results published by 10:00pm Official results published within 11 days of the election 	Tracked in the Election Management System	Mt Albert By-election – 25 February 2017 <ul style="list-style-type: none"> Advanced voting results online at 7:08pm 50% of preliminary count completed/online at 7:56pm 100% of preliminary count completed/online 8:42pm <ul style="list-style-type: none"> Official Results published on 8 March 2017, 11 days after the election as required
Release of Referenda results (postal)	<ul style="list-style-type: none"> Preliminary results published by 8:30pm on the last day of the Referenda voting period Official results published by 5pm on the second workday following the closing of the Referendum 	Tracked in the Election Management System	Flag Referenda <ul style="list-style-type: none"> Preliminary results of both the first and second referendums on the New Zealand Flag held on 15 December 2015 and 30 March 2016 were published by 8:30pm on the last day of each referendum voting period The official results of both Flag Referendums were published by 5pm on the second workday following the close of the referendums.
Release of General Election Results	<ul style="list-style-type: none"> On the day of the Election <ul style="list-style-type: none"> 100% of Advance Voting results released by 8:30pm 50% of Voting Place results by 10:00pm 100% of Voting Place results by 11:30pm Official results published within 14 days of the Election 	Tracked in the Election Management System	2014 General Election – 20 September 2014 <ul style="list-style-type: none"> 98% of advanced voting results were posted online by 8:30pm 86% of Voting Place results by posted online by 10:00pm 99.84% of preliminary count was completed and online by at 11:30pm <ul style="list-style-type: none"> Official Results published on 8 March 2017, 11 days after the election as required

Summary of Outputs and Output Expenses for 2017/18

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

2016/17 Outlook	Forecast output expenditure	2017/18 Forecast
	Output Class – Provision of Electoral Services	
\$ 8.548m	Output Area - On-going Activities:	\$ 9.331m
	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	
\$ 1.368m	International Assistance to Pacific Nations in association with the Ministry of Foreign Affairs and Trade	\$ 1.655m
\$13.340m	Output Area - Producing And Maintaining Rolls:	\$11.062m
	Output 5: Compiling and maintaining electoral rolls	
\$13.723m	Output Area – Conduct Of Electoral Events:	
	Output 6: Conduct of the 2017 General Election	\$33.082m
	Conduct of the 2018 Maori Electoral Option	\$ 4.686m
	Support the work of the Representation Commission	\$ 0.270m
	Output Class – Broadcasting Allocation (PLA)	\$ 3.605m
	The allocation of available broadcasting funding to eligible Political Parties	
\$36.979m	Total Forecast output expenditure	\$63.691m
	Forecast revenue	
\$33.928m	Crown Revenue	\$61,354m
\$ 1.659m	Other Revenue	\$ 2.005m
\$35.587m	Total Forecast revenue	\$63,359m
(\$1.392m)	Surplus to / (Shortfall from) Current Reserves	(\$0.332m)

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 the Forecast Financial 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, Maori Electoral Option and support for the work of the Representation Commission not met by baseline appropriations or current reserves.

Forecast Financial Statements 2017/18 – 2020/21

Statement of Forecast Comprehensive Revenue and Expense

<i>Estimated Actual</i> 30 June 2017		2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast
Income					
	Crown Revenue for:				
32,239	Electoral Services - Core	52,324	15,951	27,597	32,376
	Electoral Services - Variable		2,950	7,507	24,161
	Broadcasting Allocation	3,605			3,605
	Representation Commission	270	1,400		
	Maori Electoral Option	5,155	800		
1,689	By Elections				
163	Interest Income	200	200	200	200
128	Roll Sales	150	150	150	150
1,368	International Assistance	1,655	955	655	
35,587	Total Income	63,359	22,406	36,109	60,492
Expenditure					
12,052	Personnel	25,761	10,728	12,180	27,330
15,792	Operating Costs	21,533	3,579	14,869	22,844
7,463	Enrolment Services	5,690	4,538	7,917	6,218
	Broadcast Funding Allocation	3,605			3,605
	Representation Commission Expenses	270	1,400		
	Maori Electoral Option	4,686	727		
1,368	International Assistance	1,655	955	655	
238	Depreciation	417	417	417	417
67	Audit Fee	74	62	71	79
36,979	Total Expenditure	63,691	22,406	36,109	60,492
(1,392)	Net Surplus/Deficit	(332)	0	0	0

Statement of Forecast Changes in Equity

<i>Estimated Actual</i> 30 June 2017		<i>June 2018</i> Forecast	<i>June 2019</i> Forecast	<i>June 2020</i> Forecast	<i>June 2021</i> Forecast
5,232	Opening Balance	3,840	3,508	3,508	3,508
	Crown Capital Funding				
(1,392)	Net Surplus/(Deficit) for the Year	(332)	0	0	0
3,840	Public Equity as at 30 June	3,508	3,508	3,508	3,507

Statement of Forecast Financial Position

<i>30 June 2017</i>		<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
	Current Assets				
2,791	Cash & Cash Equivalents	1,529	1,702	2,024	2,314
6	Debtors	16	13	8	6
2,797	Total Current Assets	1,545	1,715	2,032	2,320
	Current Liabilities				
431	Creditors and other payables	431	450	450	438
900	Revenue in Advance				
700	Employee entitlements	383	223	216	213
2,031	Total Current Liabilities	814	673	666	651
766	Working Capital	731	1,042	1,366	1,669
	Non-current Assets				
3,143	Property, Plant and Equipment	2,846	2,489	2,162	1,865
3,143	Total Non-current Assets	2,846	2,489	2,162	1,865
	Non-current Liabilities				
69	Employee entitlements	69	23	20	27
69	Total Non-current Liabilities	69	23	20	27
3,840	Net Assets	3,508	3,508	3,508	3,507
	Public Equity				
3,840	General Funds	3,508	3,508	3,508	3,507
3,840	Total Public Equity	3,508	3,508	3,508	3,507

Statement Forecast of Cash Flows

<i>Estimated Actual</i> 30 June 2017		<i>2017-18</i> <i>Forecast</i>	<i>2018-19</i> <i>Forecast</i>	<i>2019-20</i> <i>Forecast</i>	<i>2020-21</i> <i>Forecast</i>
Cash Flows from Operating Activities					
<i>Cash was provided from:</i>					
33,099	Crown	61,354	18,151	27,597	35,981
	Variable Crown		2,950	7,507	24,161
162	Interest income	200	200	200	200
128	Roll Sales	150	150	150	150
2,268	International Assistance	755	955	655	
35,657		62,459	22,406	36,109	60,492
<i>Cash was applied to:</i>					
12,623	Employees	25,761	10,728	12,180	27,330
24,638	Suppliers	37,840	11,445	23,517	32,751
37,261		63,601	22,173	35,697	60,081
(1,604)	Net cash flow from operating activities	(1,142)	233	412	411
Cash Flows from Investing Activities					
<i>Cash was provided from:</i>					
Disposal of Fixed Assets					
<i>Cash was applied to:</i>					
275	Purchase of Fixed Assets	120	60	90	120
(275)	Net cash flow from investing activities	(120)	(60)	(90)	(120)
(1,879)	Net increase/(decrease) in cash held	(1,262)	173	322	291
4,670	Cash at Start of Year	2,791	1,529	1,702	2,024
2,791	Cash held at the end of the year	1,529	1,702	2,024	2,314

Notes to and forming part of the Forecast Financial Statements

Statement of underlying 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.

These Forecast Financial Statements have been prepared 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.

These Forecast Financial Statements are not audited.

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

The underlying assumption regarding revenue is that in the event that a by-election or citizens initiated referendum is required to be conducted, additional funding will be obtained.

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.

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 legislation.

Basis of preparation

Statement of compliance

These forecast financial statements have been prepared for the purpose of fulfilling the Commission's obligations under the Crown Entities Act 2004, which includes the requirements to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The Forecast Financial Statements are prepared in accordance with Tier 1 PBE IPSAS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. This includes New Zealand Reporting Standard No. 42: Prospective Financial Statements (FRS-42).

Measurement base

These forecast financial statements have been prepared on a historical cost basis.

Accounting policies

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

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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