

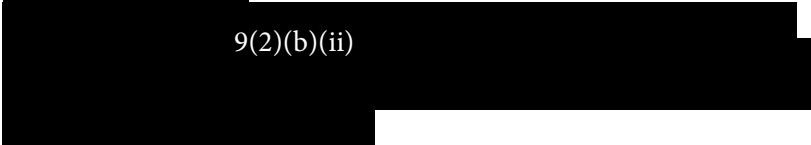



Executive Leadership Team minute extracts relating to Finance papers

ELT meeting	Minute extract
25 July 2023	<div data-bbox="432 331 1358 434" style="border: 1px solid black; padding: 5px;"> <p>ELT:</p> <ol style="list-style-type: none"> noted the finance report for June 2023 </div> <p>Lucy Hickman discussed the financial results reported for the June end-of-year month. The team expects little change in the results from this point. The \$11.6m surplus is \$15.3m higher than the forecast result. The timing of many capability uplift roles has meant our spending hasn't proceeded at the expected rate. Expenditure was underspent by \$17.3m on budget. The Commission is attempting to improve its ability to forecast personnel cost more accurately.</p> <p>ELT discussed cost pressures emerging from GE23 preparations. There is some leeway to address cost pressures and other requests for new initiatives. Any variation to our existing budget will need to be agreed formally. Our projected deficit for the current year is \$11m, which is somewhat better than expected. Reserves may remain at about the same level as currently. ELT will be discussing some potential requests for additional funding from project managers in future meetings. The Board will be kept informed about the budget and cost pressures through their Finance Report. ELT members should assemble any unfunded work they regard as important for consideration, and ELT should collectively identify its priorities for the next 18 months of spending. Party feedback on voting places is being incorporated into voting place plans, which will have financial implications.</p>
29 August 2023	<p>ELT noted the Finance Report.</p> <p>ELT discussed Finance report for the first month of the financial year.</p> <ul style="list-style-type: none"> • Paid NZ Post but didn't pay the advertising. • \$1.3M underspend • Tracking to budget
26 September 2023	<div data-bbox="400 1444 1358 1850" style="border: 1px solid black; padding: 5px;"> <p>ELT:</p> <ol style="list-style-type: none"> noted that the total operating budget for FY23/24 is \$134.2m with an expected deficit of \$11.3m noted that no forecast exercise has been undertaken this month, so for reporting purposes the financial forecast is calculated based on FY24 budget plus any approved funding request for unbudgeted operating expenditure agreed that financial forecasting is set to commence by September and will be reviewed quarterly thereafter </div> <p>Lucy and Emma summarised the Commission's financial reporting for the month ending 31 August, noting the total operating budget and the expected deficit, and the phasing of spending between financial years. Reported underspends and payroll forecasts are being monitored closely, and there are</p>

	<p>currently no significant concerns. Variation in spending by electorates is also being monitored. ELT discussed the financial implications of contingency arrangements for a party vote recount.</p>
<p>24 October 2023</p>	<p>ELT:</p> <ol style="list-style-type: none"> 1. noted that the total operating budget for financial year 2023/24 is \$134.193m with an expected deficit of \$11.308m 2. noted that no forecast exercise has been undertaken this month, therefore for reporting purposes, forecast is calculated based on FY24 budget plus any approved funding request for unbudgeted operating expenditure 3. noted that forecast does not reflect the costs of running the Port Waikato By-Election <p>Lucy and Emma outlined the September Finance Report, noting a forecast underspend at the time. Forecast indicates that the Commission will end up with a deficit of \$14.153m which is approximately 25% higher than budget. Remuneration costs will be clearer in the October finances, and travel / expense claims are being submitted. Extra funding has been approved for the by-election. Broadcasting Allocation funds have yet to be invoiced by some parties.</p> <p>ELT discussed potential costs for recounts, if more are required than are currently planned. Each electorate recount costs c.\$60k, so additional ones can be accommodated within budgets. A party vote recount would be considerably more expensive and would require extra funding.</p>
	<p>ELT:</p> <ol style="list-style-type: none"> 1. noted the uncertainty around financial baselines, and the initial analysis undertaken against our forecast costs to run the next GE,  2.  9(2)(b)(ii)  3. noted the further research underway on how the Commission spends and has spent money, which will inform Board and Executive decision making and strategic choices 4. discussed the high-level FY24/25 budget planning approach, and how it interacts with external financial decision making 5. discussed the strategic decisions the Commission will likely need to consider over the next few months 6. agreed that all Commission teams should limit any new recruitment and procurement spending for the remainder of the 2023/24 financial year, if possible

	<p>7. noted that teams will proceed with their usual financial planning tasks for FY24/25, informed by the GE23 lessons learned programme</p>	
	<p>ELT and staff discussed the Commission’s financial situation in light of inflationary cost pressures, to inform the Commission’s strategic and financial planning in the first half of 2024. [REDACTED]</p> <p>[REDACTED] Out of scope [REDACTED] Greater clarity is needed on team spending priorities, and the Finance team is building a picture of our financial position for the remainder of the financial year.</p> <p>Emma Gillard provided a verbal update on the Commission’s financial position. Early indications are that our deficit will be higher than expected, due to higher than expected GE23 HQ support staff expenses and the phasing of broadcasting invoices. Several electorate HQs spent significantly over the projected staffing budgets.</p> <p>ELT discussed the forecast deficit of \$14.267m, which is 26 percent higher than budgeted. The Commission will need to ensure savings where possible for the remainder of the financial year. Budget projections will be prioritised in the coming financial year to ensure they are as accurate as possible. The Commission and the Ministry of Justice will be involved in the budget discussions in due course. [REDACTED]</p> <p>[REDACTED] 9(2)(b)(ii) [REDACTED]</p> <p>The GE23 lessons learned will inform our GE26 cycle spending priorities, but in the meantime any recruitment and new projects should be limited for the remainder of the financial year. Planning will continue across all teams as usual. The GE Programme team will be able to inform these discussions in early 2024, and the role of the Investment Committee will be considered with a view to prioritising effective financial planning</p> <p>[REDACTED] 9(2)(b)(ii) [REDACTED]</p> <p>ELT will prioritise communicating the planning context to their teams so they understand that funding decisions will be made in the new year, but detailed planning including GE26 election design still needs to continue as usual.</p>	
<p>28 November 2023</p>	<p><i>Paper circulated to ELT via email for information – no minuted record</i></p>	
<p>19 December 2023</p>	<p>ELT: 1. noted that: a. the opening reserves as at 1 July 2023 totalled \$16.404m</p>	

	<p>b. with Board approved minimum reserves of \$2.221m, the maximum deficit the Commission can afford for 2023/24 is \$14.183m</p> <p>2. noted that the projected total operating expenditure for 2023/24 is \$139.436m with an expected deficit of \$15.698m, which is 39% higher than the budgeted deficit of \$11.308m</p> <p>3. noted that the forecast does not include the cost of the GE23 independent review commissioned by the Auditor-General, which is estimated to cost \$0.250m</p> <p>4. discussed forecasted costs that could be reduced, deferred or stopped during January to June 2024.</p> <p>Lucy Hickman gave an overview of the Commission’s general financial situation and the discussions that may be required if the organisation is required to identify potential spending reductions. She noted that the year-to-date deficit is around four times greater than budgeted (\$6.417m actual vs \$1.576m budget). Appendices provide extra information on the reserves position; our expected position as at end June has been affected by additional GE23 delivery costs incurred in November. Most of the additional costs were personnel-based. This leaves the Commission with a small reserve. Port Waikato by-election funding will be clarified with MOJ.</p> <p>ELT discussed potential savings identified in the report, which are hypothetical and in confidence. In the meantime, costs should be managed closely and vacancy approvals should be discussed at ELT.</p>
<p>30 January 2024</p>	<p>ELT:</p> <p>1. noted that:</p> <p>a. the Commission’s opening reserves as at 1 July 2023 were \$16.404m</p> <p>b. with the Board-approved minimum reserves of \$2.221m the maximum deficit the Commission can afford for 2023/24 is \$14.183m</p> <p>2. noted that the projected total operating expenditure for 2023/24 is \$137.786m, with an expected deficit of \$14.113m, approximately 25 percent higher than the budgeted deficit of \$11.308m</p> <p>3. noted that forecast costs that could be reduced, deferred or stopped for the period to June 2024 will be discussed further in February.</p> <p>The Finance team presented the December finance report and invited a discussion of the projected end-of-year deficit and how to keep it within Board-defined parameters. GE spending illustrated that Electorate Managers had a variety of approaches to staffing levels and costs, which could be addressed with more consistent approaches for GE26. The Commission will discuss its MYA with the Minister of Justice, and will encourage its approval to</p>

	<p>give us more certainty. Some funding has been obtained one month early from the Ministry of Justice, by mutual agreement.</p> <p>ELT noted December discussions on potential cost reductions didn't reveal any substantive savings. ELT will consider the matter again in February once 2024/25 costs are clearer. NZ Post's EasyVote costs will be confirmed.</p>
<p>20 February 2024</p>	<p>ELT:</p> <ol style="list-style-type: none"> 1. noted that on 1 July 2023 the Commission's opening reserves were \$16.404m 2. noted that due to the Board-approved minimum reserves threshold of \$2.221m, the maximum deficit the Commission can afford for 2023/24 is \$14.183m 3. noted that the projected total operating expenditure for 2023/24 is \$137.439m, with an expected deficit of \$11.982m, approximately 6% higher than budgeted deficit of \$11.308m 4. noted the deficit includes a \$1.900m surplus resulting from the release of unused Election Access Fund resources <p>Lucy Hickman and Emma Gillard discussed the January 2024 Finance Report. ELT discussed:</p> <ul style="list-style-type: none"> • Potential for underspend is being monitored. • A predicted \$1.9m must be returned from the EAF. • Predicted people costs are higher than expected due to the phasing of spending on regional manager roles. • There is no assigned budget to support our work for the Tauranga local election. • 9(2)(b)(ii)