

Highlights



Organisation

New regional structure implemented



Preparation

Local election enrolment update campaign completed



Delivery

Tauranga by-election successfully concluded

Performance measures

Our delivery against performance measures for the period of 1 July – 30 September 2022 is detailed in Appendix A.

We have met most of our measures for the quarter, except for those under Impact Measure 2 – ‘People take part in the electoral system’. These measures relate to end-of-year targets to be achieved by 30 June 2023. The four measures in this area all relate to enrolment campaigns that are focused on General Election years and are on track to meet the specified targets by 30 June.

Under Output Measure 4 – ‘Make it easy and simple for people to take part’, the Q1 result of 36.5% for the percentage of enrolment transactions that are conducted digitally, is below the 40% end-of-year target. This measure generally fluctuates throughout the reporting year, but we are confident the full year result will meet the SPE target.

Key upcoming milestones

31 October 2022	Election Access Fund launch
9 November 2022	Annual Report draft considered by Board
10 December 2022	Hamilton West by-election

Strategic priorities

Building our capability

Quarter 1 saw further implementation of the new structure and ways of working resulting from the Target Operating Model.

Following the implementation of the new regional structure on 22 August, an implementation plan was developed to set out further work to be completed in the medium term (to December 2022) and the longer term (from January 2023 onward) to further realise the benefits from the Regional Review. A Board paper was prepared to note the plan, target state for each stream and the associated risks and mitigations. The closing of offices is complete as of 30 September with updating process maps and documentation to be completed in mid-October.

Invitations to our Have Your Say 2022 staff engagement survey were sent out. Employees have until 12 October to complete this.

An initial cultural analysis for the Target Operating Model (TOM) programme's culture workstream has been recently completed and will be updated to include the data from the engagement survey. This work will inform how the Commission will move to a more consistent culture that will drive operational alignment and support increased engagement.

The second workshop of Senior Leadership Group members was undertaken on 20 September to further develop future operating arrangements and introduce the group to Ngā Maihihioterā, our Māori Strategic Plan.

Preparing for an election

As at 30 September our involvement in the local authority election continued to meet milestones, and the post-election review was underway. The three centralised enrolment processing centres were fully operational and focused on meeting local election demand. Around 340,000 forms have been processed, with consist of 59% online forms and 41% paper forms. The processing activities will be concluded on 13 October. Community engagement teams have been delivering a full programme of work to support community events, meetings, and council briefings leading to the election day on 8 October. There are many activities planned for after the local elections to build up the momentum for the upcoming General Election.

After consultation on the Election Access Fund (EAF) closed on August 12, responses were collated, and a summary sent to respondents. The survey responses also informed the candidate application guidelines and the EAF policy. A separate document has been drafted to offer guidance on becoming a candidate. A campaign is prepared to raise awareness of the EAF once it's open. Creative concepts are being considered and the EC is working with an agency that specialises in communications for disabled people to ensure it meets the audience's needs.

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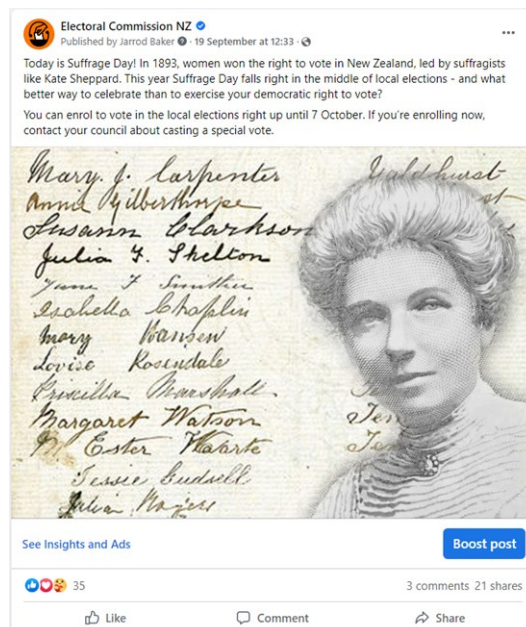
Four community members have been selected for the EAF Applications Panel. All are disabled people with extensive community experience, and one has Tikanga Māori expertise. This group will make recommendations to the Commission on approval of fund applications.

The Māori Electoral Option project team is continuing to plan for a 31 March 2023 implementation date. Work within the Enrolment and Community Engagement team continues to identify areas where MEO requirements and delivery will overlap with those for the General Election, and an initial meeting has been held with NZ Post on mailout requirements for both projects.

Building relationships and understanding

In our MFAT-funded international liaison programme we have continued to support the Tokelau Chief Electoral Officer in the review of the Tokelau electoral laws and associated resources for electoral officials and voters. An advisor was in Tokelau for two weeks in September to work with the senior officials on the rules and manuals.

The Commonwealth Elections network has confirmed their Pacific conference to be held in Wellington, 7-11 November. There will be 11 Commonwealth election management bodies (EMB) from the Pacific invited and five non-Commonwealth countries. We will be jointly co-facilitating this conference, which has the theme of absentee voting. Social media comments and messages reduced after the completion of the local elections enrolment update campaign. Our most successful post (on Facebook, Instagram and Twitter) celebrated Suffrage Day on 19 September:



Support for the Independent Electoral Review Panel continues, including working on information requests and preliminary work on the Commission's submission to the Panel.

Preparing for the future

A refresh of our Health, Safety and Wellbeing Policy is underway, with a draft policy due to go out for consultation soon. A small group provided initial feedback on a draft by 30 September. We received a great response to this request for initial feedback.

Key activities

- Centralised our Enrolment Processing to three centres based in Auckland, Wellington and Christchurch, and nine Community Engagement hubs based in Whangārei, Auckland, Hamilton, Rotorua, Gisborne, Napier, Wellington, Christchurch and Dunedin.
- Welcomed our three new Deputy Chief Executives, Lucy Hickman, Anusha Guler and Leigh Deuchars.
- Commenced a headquarters simulation to test a number of changes made to the core election management system (EMS). The test will look to confirm that the instructions, systems, and processes provided to Electorate HQ Managers are fit for purpose and integrate as expected with other Commission systems.
- Readied our new Financial Management Information System (FMIS) for implementation.
- Returned the writ for the Tauranga by-election on schedule, 7 July.

Risks

While all of the risks for this quarter sit at medium, we continue to closely watch our risk around '*Insufficient funding and/or lack of certainty about funding*', as highlighted in the risk dashboard in Appendix C. Our multi-year appropriation was confirmed in September, which has helped to mitigate this risk, however we continue to monitor costs associated with by-elections and the potential implementation of the Māori Electoral Option Bill.

We continue to watch world supply chains as they impact the delivery of key items for the 2023 General Election, including, in particular, paper and IT equipment. To help mitigate this risk, we brought forward the paper procurement process to early 2022 and are planning for the purchase of IT equipment earlier this electoral cycle.

Financial performance

Expenditure – At the end of September 2022 the Commission had spent \$14.9m against planned spend of \$20.0m, a positive variance of \$5.1m.

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The underspend represents a timing difference as some costs have not been incurred as anticipated and other projects have been delayed or deferred to focus on priorities.

Revenue – Was lower than budget by \$0.6m. This is mostly attributable to revenue expected from MFAT. The Commission recognised revenue of \$0.5m from MFAT to fund expenses relating to the International Assistance Programme. This was lower than planned but reflects the actual costs of the programme (refer to Appendix B for financial information as at 30 September 2022).

Financial sustainability

The Commission's current financial sustainability status (using the measures established by the Ministry of Justice's Monitoring Unit) is summarised below.

Measure	Test	Forecast	Actual	Notes
Cash	Cashflow for the three-month period is positive	Pass	Pass	Positive by \$7.6m as at 30 September 2022.
Working Capital	Current assets exceed current liabilities	Pass	Pass	Positive by \$9.3m as at 30 September 2022.
Going concern	Total assets exceed total liabilities	Pass	Pass	Positive by \$12.4m as at 30 September 2022.
Break even	The net operating result for the period is a surplus	Pass	Pass	The result for the period is a \$7.1m surplus against a budgeted deficit of \$0.4m. This is a favourable variance for the period of \$4.5m (due to timing).

Appendix A – Performance measures as at 30 September 2022

Results in **green font** are at or above target levels, results in **brown font** are below.

The tables below report on the measures from the Commission's Statements of Intent and Performance Expectations.

Impact Measure 1 – People have trust and confidence in the electoral system

Measures	Current Status	Target 2022/23
Key general election milestones achieved (refer Output Measure 2)	On Track	Achieved
Transition to new operating model phase 1 complete: <ul style="list-style-type: none"> General Election implementation programme established Reconfigured Senior Management Team structure Implementation of new delegations policy Proposal for reconfigured field operations finalised 	On Track	Achieved (by 31 December 2022)
Integrity of by-election results: Official by-election Result Certificates for the electorate are signed by both the electorate Returning Officer, and the attending Justice of the Peace	Completed (Tauranga by-election)	Completed if applicable

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Impact Measure 2 – People take part in the electoral system

Measures	Current Status	Target 2022/23
Number of people enrolled (average for the period)	3.43m	3.64m
Number of 18–24-year-olds enrolled (average for the period)	0.27m	0.34m
Number of people of Māori descent enrolled (average for the period)	0.51m	0.525m
Number of people enrolled on the Provisional Roll (17-year-olds)	0.0047m	0.0065m

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

Measures	Current Status	Target 2022/23
Adherence to the Commission’s quality assurance practices around the integrity of the roll	100%	100%
Staff receive mandatory integrity and compliance training	100% ¹	100%
The Commission will follow up failures by a party, candidate or third party to file any relevant return of election expenses, donations or loans within 5 working days	100%	>95%
Allegations of electoral finance or advertising breaches of the Electoral Act are acknowledged, and follow-up is initiated if required, within 10 working days of receipt	100%	90%

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

Measures	Current Status	Target 2022/23
Key general election preparation milestones achieved: <ul style="list-style-type: none"> a) IT procurement complete (Q2) b) Core elections systems ready (Q2) c) Electorate headquarters secured (Q2) d) Returning officers trained (Q3&4) e) Electorate headquarters managers appointed and trained (Q4) 	All on track	Achieved

¹ We believe that nearly all staff comply but we cannot guarantee that all staff complete the modules due to: the nature of recording logins and completions on staff training portal Tupu; the Commission workforce, which is transient and changeable; and organisational reviews that affect the accuracy of roles, structure and coding in Tupu. There may be isolated incidents where individuals do not complete training modules, and some casual employees do not have access to computers.

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f) Electorate headquarters operational (Q3) g) Overseas vote processing operational (Q3) h) Readiness testing and dress rehearsal programme begins (Q4)	All on track	Achieved
Enrolment data update for Local Body Elections complete (Q1)	Achieved	Achieved
Simulation of key activities to be undertaken by headquarters during the general election complete (Q2)	On track	Achieved
By-election conduct measures (if applicable): <ul style="list-style-type: none"> Release of preliminary results from 7.30pm on the day of the by-election Declaration of official results to schedule 	Achieved for Tauranga by-election	Achieved

Output Measure 3 – Help people to understand the electoral system

Measures	Current Status	Target 2022/23
Strategic Communications Plan developed	On track	By December 2022
Respondents agree or strongly agree that the advisory opinion was timely and adequately answered their request	100%	>80%

Output Measure 4 – Make it easy and simple for people to take part

Measures	Current Status	Target 2022/23
Percentage of enrolment transactions that are conducted digitally	36.5%	>40%
Participation strategies for priority groups developed	On track	By 31 January 2023
Election Access Fund established	On track	By 31 October 2022
Guidance on electoral matters: Percentage of advisory opinions issued within 5 working days	100%	>95%

Appendix B – Financial information as at 30 September 2022

Statement of revenue and expenses For the three months ending 30 September 2022

	YTD			Full Year 2022/23			30-Jun-22
	Actual	Budget	Variance	Forecast	Budget	Variance	Actual
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
REVENUE							
Funding from Crown	21,183	20,690	494	82,758	82,758	-	25,618
Interest Received	5	1	5	2	2	-	3
Other Income	207	43	165	170	170	-	458
International Assistance Programme	549	856	(307)	3,423	3,423	-	1,870
Total Revenue	21,944	21,588	356	86,353	86,353	-	27,949
EXPENDITURE							
Personnel and Board Fees	6,865	9,079	2,214	36,317	36,317	-	18,796
Computer & Telecommunications	874	1,377	503	5,508	5,508	-	2,464
Property & Occupancy	675	1,885	1,210	7,539	7,539	-	2,455
Specialist Services	3,251	4,446	1,195	17,782	17,782	-	11,096
Printing, Stationery & Postage	2,800	3,137	337	12,546	12,546	-	760
Depreciation and Amortisation Expense	135	290	155	1,158	1,158	-	643
Audit Fees	20	23	3	91	91	-	95
Other Costs	256	1,745	1,489	6,979	6,979	-	653
Total Operating Expenditure	14,876	21,980	7,104	87,920	87,920	-	36,962
Surplus / (Deficit)	7,068	(392) [▼]	7,460	(1,567)	(1,567) [▼]	-	(9,013)

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	As at 30 September 2022			2022/23 Forecast			2022
	Actual	Budget	Variance	Forecast	Budget	Variance	Actual
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CURRENT ASSETS							
Cash and cash equivalents	16,103	12,927	3,176	6,112	6,112	-	8,524
Debtors and other receivables	16	40	(24)	1,025	1,025	-	3,155
Inventory	41	120	(79)	185	185	-	44
Prepayment	327	101	226	180	180	-	107
Total current assets	16,487	13,188	3,299	7,502	7,502	-	11,830
NON-CURRENT ASSETS							
Property, plant and equipment	687	581	106	576	576	-	712
Intangible assets	2,454	1,911	543	2,306	2,306	-	2,101
Total non-current assets	3,141	2,492	649	2,882	2,882	-	2,813
TOTAL ASSETS	19,628	15,680	3,948	10,384	10,384	-	14,643
CURRENT LIABILITIES							
Revenue in Advance	4,703	4,323	(380)	2,296	2,296	-	4,743
Creditors and other payables	1,111	875	(236)	2,100	2,100	-	2,605
Employee entitlements	1,383	1,700	317	1,516	1,516	-	1,932
Total current liabilities	7,197	6,898	(299)	5,912	5,912	-	9,280
NON-CURRENT LIABILITIES							
Employee entitlements	56	56	-	95	95	-	56
Total Non-current Liabilities	56	56	-	95	95	-	56
TOTAL LIABILITIES	7,253	6,954	(299)	6,007	6,007	-	9,336
NET ASSETS	12,375	8,725	3,650	4,377	4,377	-	5,307
Equity							
Opening Equity	5,307	5,944	(637)	5,944	5,944	-	14,320
Accumulated Surplus / Deficit	7,068	2,781	4,287	(1,567)	(1,567)	-	(9,013)
Total taxpayers' funds	12,375	8,725	3,650	4,377	4,377	-	5,307

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Statement of cash flows For the three months ending 30 September 2022

	YTD			Full Year 2022/23			2021/22
	Actual	Budget	Variance	Forecast	Budget	Variance	Actual
	\$ (000)	\$ (000)	\$ (000)	\$ (000)	\$ (000)	\$ (000)	\$ (000)
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Crown	27,591	25,921	1,670	84,643	84,643	-	24,052
Interest received	5	0	5	2	2	-	3
Receipts from other revenue	28	411	(383)	170	170	-	130
Payments to Employees	(5,822)	(8,358)	2,536	(36,007)	(36,007)	-	(17,038)
Payments to Suppliers	(13,789)	(11,966)	(1,823)	(48,748)	(48,748)	-	(21,385)
Net cash flow from operating activities	8,013	6,009	2,004	60	60	-	(14,238)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of property, plant and equipment	(18)	(33)	15	(135)	(135)	-	-
Purchase of intangible assets	(416)	(255)	(161)	(1,019)	(1,019)	-	(503)
Net cash flows from investing activities	(434)	(288)	(146)	(1,154)	(1,154)	-	(503)
Net increase/(decrease) in cash and cash equivalents	7,579	5,721	1,858	(1,094)	(1,094)	-	(14,741)
Cash and cash equivalents at beginning of year	8,524	7,206	1,318	7,206	7,206	-	23,265
CASH AND CASH EQUIVALENTS HELD AT YEAR END	16,103	12,927	3,176	6,112	6,112	-	8,524

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Appendix C – Electoral Commission risk dashboard

ID	Risk
1	Loss of trust in the electoral system
2	Failing to build and maintain trusting relationships with Māori
3	Being unable to respond sufficiently to a major disruptive event, including a pandemic
4	Inability to deliver successfully or meet expectations due to insufficient funding
5	Commission's reputation for neutrality is jeopardised by 'politicisation' and pressure from key stakeholders
6	Critical supplier fails to deliver
7	Failing to deliver on strategic objectives
8	Failing to prevent or respond adequately to a cyber security incident
9	Critical system failure at a critical time
10	Failing to successfully implement critical legislative and/or regulatory change
11	Failing to meet obligations to implement robust health, safety and wellbeing practices
12	Over-reliance on core staff results in critical points of failure
13	Failing to understand and/or connect with the wider environment results in unforeseen consequences and/or limits our resilience
14	Inadequate planning and implementation results in poorly embedded organisational change

Heat Map (by Risk ID)

