

Submission

**Australian Government
Electoral Reform Green Paper - Sept 2009**

“Strengthening Australia’s Democracy”

**Colin Barry
Electoral Commissioner
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Executive Summary

The NSW Electoral Commission welcomes the opportunity to contribute to the identification and implementation of potential reforms to Commonwealth, State/Territory and Local Government electoral systems through these comments on the second of the Federal Government's Electoral Reform Green Papers.

The NSW Parliament has, in a number of reports from the Joint Standing Committee on Electoral Matters, discussed and recommended extensive electoral reform in aspects of both enrolment and electoral administration.

As foreshadowed in the Green Paper¹, the NSW Government has acted on significant aspects of those recommendations during November 2009.

On 11 November 2009 the NSW Premier Nathan Rees announced² that the NSW Government was pledging to

"... make democracy stronger in NSW by revolutionising how citizens are registered to vote. We will create a 'smart' electoral roll which automatically registers new voters and updates changes for those already on the roll," said Mr Rees. "The right to have your say is a fundamental right and the foundation of modern democracies. These changes are significant including the right to register up to and including Election Day. "These changes will ensure people with busy lives, young people and those who move to NSW are not disenfranchised by the current rules."

On 12 November 2009 in the NSW Legislative Council, the Hon Penny Sharpe (Parliamentary Secretary - on behalf of the NSW Attorney General) stated in the Second Reading speech³ of the *Parliamentary Electorates and Elections Amendment (Automatic Enrolment) Bill 2009 (the Bill)* that

"...The time is ripe for legislative action to address the declining rate of electoral participation in Australia. Australia is one of the few democracies in which enrolment and voting are compulsory. Compulsory enrolment and voting encourages governments to take into account the full spectrum of social values when forming their policies. It recognises that civic participation is a responsibility as well as a right. Despite this, our system of compulsory enrolment and voting is being undermined by the fact the number of people on the electoral roll is declining. Nearly 10 per cent of eligible voters, or 1.2 million people, are not enrolled around Australia. The rate of electoral participation is even lower among young people, up to 18 per cent of whom are not enrolled."

¹ Paragraph 7.39 Electoral Reform Green Paper - September 2009

² http://www.premier.nsw.gov.au/Newsroom/Articles/2009_Articles/091111_Stronger_democracy_on_its_way_for_NSW.html

³ <http://www.parliament.nsw.gov.au/prod/parlment/nswbills.nsf/d6079cf53295ca7dca256e66001e39d2/10d602d385dd0fdbca25766b000c97db!OpenDocument>

The Premier further stated in his press release that:

"The new Smart Roll will be in place for the (March) 2011 (NSW) election and will see changes including:

- *Cut out the need for unnecessary forms for NSW elections*
- *New powers for agencies to collect information for enrolment purposes*
- *Enrol and update details up to and including Election day – previously the cut off was up to a month earlier when elections are called*
- *Postal votes - central processing of applications and online lodgement*
- *Pre-poll votes for overseas and interstate electors*
- *Extending pre-poll to residents of declared institutions such as nursing homes*
- *New options for the exchange of information between Federal and State rolls."*

The Bill was debated and passed in the NSW Legislative Council on Wednesday, 25 November 2009, and scheduled to be debated by the Legislative Assembly on Friday, 27 November 2009.

The NSW Electoral Commission has proposed the introduction of Smart Roll in NSW, but is keen to encourage the adoption of the concepts Australia-wide. In my view the Smart Roll functions to be used to refresh, and importantly, augment the NSW electoral register should be implemented by a national body and that national body should use Smart Roll concepts to engage electors nation-wide.⁴

Any such national body - referred in the remainder of this submission as the National Enrolment Authority - should not be part of an organisation that conducts elections. There are a number of powerful drivers for this view:

- A new national enrolment body with equal governance for all participants – Federal and State - is probably more acceptable to state jurisdictions and could ensure its establishment without the concerns of inheriting existing AEC organisational norms such as the Divisional Returning/State Office structures.
- The provision of Smart Roll sourced election event products - "event list snapshots" - by a national authority, established with the concept of providing an unbiased service to all election event organisations for all elections, should provide certainty to all tiers of government.
- With active States' participation, a national enrolment authority, unconstrained by the need to conduct election events, could seek to obtain relevant electoral data from all of the allowable sources from all tiers of government in an unbiased and consistent manner.
- One national, elector-focussed enrolment authority for all enrolment purposes would minimise elector confusion.
- Smart Roll processes involve assessing electoral data from a range of sources - given the level of services provided by State based agencies/organisations, those sources tend to be more numerous and therefore valuable in assessing elector attitudes and movements.

⁴ September 2009 Electoral Reform Green Paper - discussed briefly at Paragraph 6.32 and alluded to at Chapter 6 "Discussion Points" at Paragraph 6.50.

- Institutions are increasingly becoming aware that younger "clients" (or electors in our jurisdictions) need increasingly sophisticated marketing means to attract the attention of those clients, let alone to persuade them to change their behaviour. Without that marketing sophistication, the "last 10 percent" of unenrolled electors are increasingly unachievable in any economic manner.
- The personnel skills sets needed to analyse, develop and implement national Smart Roll programmes to change behaviour, ie to encourage the reluctant to enrol, are not those generally found in organisations that are highly focussed on election event planning, process development, logistics and project management. Skills such as demographic analysis, behaviour analysis, database analysis and niche marketing are vital.
- Individual major election events are extremely distracting and resource intensive in their operation. The need for a national, continuously accurate electoral register to co-exist within an organisation whose focus is really electoral events will inevitably result in the electoral register suffering. As an important example, electoral register systems development, if located within the one electoral event organisation, would tend to match the timing and needs of the election cycle, in the AEC's case three years or less, rather than their own longer term system development.

I recommend that the establishment of a National Enrolment Authority, established on the principle of using Smart Roll enrolment concepts, could consequentially allow structural changes to be made within the AEC to allow it to focus on Federal election events. The enrolment functions currently undertaken by Divisional Returning Officers should not be required under a nationally managed enrolment scheme.

In summary, the introduction of Smart Roll concepts in NSW has not only ensured that the electoral enrolment register is more timely but, if taken up by a newly developed and independent National Enrolment Authority, could lead to true and lasting electoral reforms that will efficiently and more cost effectively strengthen Australia's democracy.

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1 Introduction

Stripped of its cultural and political emphasis, the "electoral roll" is a list or register of the Australian community, albeit filtered by special attributes - largely citizenship and age. It is, in fact, a list of qualifying Australians and is principally used for election "events" over a three/four year cycle.

It follows that a roll for an electoral event should be a filtered list of eligible electors, extracted on a particular day for a defined electoral area from an up-to-date and accurate listing of Australian citizens.

The current Australian residential electoral register is used not only for federal elections but is also used by State/Territory and Local Government jurisdictions as their electoral roll. Although there are some tensions between the Australian Electoral Commission (AEC) and these jurisdictions in regard to enrolment procedures and occasionally enrolment accuracy with regard to Local Government areas and wards, there is general agreement that, for reasons of efficiency and consistency, every endeavour should be made to establish one national register and that each eligible person should only enrol once and not need to enrol separately for every level of government, let alone for each election event.

As alluded to in the Green Paper, it is generally agreed by all Electoral Commissions in Australia that there is a need to improve the currency and effectiveness of the national electoral enrolment register or roll. Direct or "smart" enrolment⁵, using changed elector information from trusted agency sources, is a recognised method for maintaining electoral rolls so that they are continuously updated.

Under the NSW Smart Roll (originally called the Smart Electoral Enrolment Register or SEER) proposal, certain eligible citizens will not have to complete a written enrolment form or a change of address form. Instead, most people will be automatically enrolled (17 and 18 year olds), or re-enrolled, with their address details updated, as a result of the NSW Electoral Commission (NSWEC) receiving authoritative advice from a trusted Government agency about a change in a person's electoral details.

The NSWEC has viewed the introduction of the fundamental concepts applied in the implementation of the Smart Roll project as a trigger to consider the enrolment and election event process as a whole. The act of devolving enrolment in such a way that a significant proportion of electors are assisted to re-enrol themselves via third party trusted Government agencies leads to the opportunity to conduct a reassessment of the use of electoral resources across Australia.

2 NSW Smart Roll - Background

As a result of concerns in relation to the (then) proposed Commonwealth changes, the NSW Joint Standing Committee on Electoral Matters recommended that the NSW Government investigate the feasibility of a smart enrolment system following the conclusion of the 2007 NSW State General election.

Age based analysis of the three NSW-wide all age groups indicated that the unenrolled gap for the "young" age bands in the 18 to 39 group had increased and, referring to Table 1 below, made up 64% of the 450,000 total gap for NSW at the 2007 SGE. A more troubling trend was the finding that in the age band 23 to 30 years, a group not previously considered to be reluctant enrollers, the gap had almost doubled from the 1999 SGE to the 2007 SGE.

⁵ Green Paper - "Options for Enrolment Processes" para 7.34

The unavoidable conclusion is young people are tending not to enrol and then remain likely to be unenrolled well into their 30s.

Table 1 - Unenrolled Eligible Elector "Gap" Analysis - NSW "Young" People by Age

Elections	SGE 1999			SGE 2003			SGE 2007		
	Eligible Popn	Gap	% of eligible Popn	Eligible Pop	Gap	% of eligible Popn	Eligible Popn	Gap	% of eligible Popn
18 to 22 yrs	388,954	72,328	19%	413,702	83,915	20%	418,682	95,484	23%
23 to 30 yrs	677,000	64,862	10%	656,748	87,190	13%	655,299	119,028	18%
31 to 39 yrs	790,636	57,564	7%	797,293	75,627	9%	782,611	78,259	10%
Total All Age Bands	1,856,590	194,754	10%	1,867,743	246,732	13%	1,856,592	292,771	16%

The trends in NSW have been confirmed by recent announcements by the Australian Electoral Commissioner, particularly the announcement of the "1.2 million missing electors"⁶.

The NSWEC has undertaken the following tasks to allow for the development, funding and implementation of the Smart Roll project:

1. Identify a small number of actual eligible, but unenrolled electors, within known NSW agency databases, initially from the Technical and Further Education (TAFE) sector, to **test the effectiveness of proactive "smart" enrolment processes** (SMS messages) in obtaining additional enrolment data and quantify the resultant increased level of enrolment.

This process included direct communications with a sample of the identified, unenrolled but eligible electors.
2. Establish the need for the **legislative changes** required to confer on the Electoral Commissioner the capacity to automatically add a person to the Register, where he has reliable information from an approved and valid data source.
3. Confirm the **privacy exemptions** applicable to the NSWEC that are contained within the then *Parliamentary Electorates and Elections Act 1912 No 40*.
4. Using the existing "**provision of electoral data**" legislation, establish secure data transfer processes between the NSWEC and other government agencies.
5. Establish "provision of data" **Memorandums of Understanding (MoU)** with potential State and, via the AEC, Federal government agencies.
6. Establish the **technical systems architecture** to allow for the development and implementation of the computer systems required to operate Smart Roll in an efficient manner.
7. Engage the **AEC** in high level discussions in order to establish the requisite data exchanges and minimise the risk of disparate Federal and NSW electoral registers.

⁶ http://www.aec.gov.au/About_AEC/Media_releases/2009/04_28.htm

8. Confirm the ability of the AEC to undertake Smart Roll on behalf of the NSWEC. In mid-2008 the AEC offered assistance but indicated that it was not in a position to "host" a NSW Smart Roll system.

The Smart Roll system will be introduced prior to the 26 March 2011 NSW State General Election (SGE).

3 Smart Roll – Other Consequential Enrolment Benefits

In addition to reducing the level of under enrolment, the NSWEC has also identified a number of other advantages from pursuing a Smart Roll system:

- Reducing the need for an increasingly frustrated electorate to complete and sign a complex enrolment form. As recently discussed by Antony Green (ABC Elections Analyst) -

*"... In an era when you can apply for a loan or credit card on-line, call the bank and change your details, make major payments on-line and receive SMS or e-mail confirmation, it seems ridiculous that enrolling to vote relies on negotiating your way through the 'purple people eater'."*⁷

- Smart Roll will help avoid the situation where elector details are not up to date at the time an election is held, simply because the voter had not changed their enrolment details. During the 2007 NSW State General Election (SGE), approximately 60,000 people wishing to cast an absentee/declaration ballot but discovering they were not enrolled, were turned away disappointed.
- There is the opportunity to reduce the cost of augmenting the enrolment register prior to elections. The Green Paper notes in paragraph 7.26 that enrolment activities such as advertising campaigns, data-matching, door-knocks, mailouts and other targeted activities cost approximately \$30 million in the period prior to the 2007 Federal election. Elsewhere⁸ the AEC Commissioner has indicated that the net gain in enrolment (i.e. including the effect of the relatively aggressive objections processes) in that period, Australia wide, was only 200,000.
- The Green Paper notes in paragraph 7.40, that Canada has accepted automatic enrolment for a number of years via a "National Register of Electors". Previously enrolment was focussed on physical enumeration, ie visits to residential locations. The Canadian Office of the Chief Electoral Officer has stated that:

*"The National Register of Electors saves taxpayers a significant amount of money – approximately \$30 million per general election compared with the cost of door-to-door enumeration. At the federal level, the cumulative cost avoidance attributable to use of the Register, as of March 31, 2006, is estimated to be some \$110 million. An additional \$42 million in savings has been generated at the provincial and municipal levels..."*⁹

- During the feasibility and development phase of Smart Roll, it became apparent that younger Australians expected that enrolment operated via methods to be introduced by this innovation. This expectation was mentioned briefly at Paragraph 7.30 of the Green Paper.

⁷ <http://blogs.abc.net.au/antonygreen/2009/11/nsw-dumps-joint-electoral-roll.html#more>

⁸ Mr Ed Killestyn's presentation to the Commonwealth JSCEM in March 2009

⁹ Source - http://www.tbs-sct.gc.ca/dpr-rmr/0506/CEO-DGE/ceo-dge04_e.asp#appc – at Appendix C of that document. The Canadians moved from enumeration to direct enrolment without a major "form completion" enrolment period.

- Election day enrolment, mentioned at paragraph 7.94 and later within the Green Paper, has been enabled in NSW by the same Bill that has introduced Smart Roll concepts¹⁰.
- As mentioned above, there is the opportunity to establish a National Enrolment Authority with full participation and governance by all State/Territory and Federal governments

¹⁰ the NSW *Parliamentary Electorates and Elections Amendment (Automatic Enrolment) Bill 2009*

4 Electoral Reform - Smart Roll, the AEC, Possible Consequences

Not surprisingly, the AEC see the accuracy of "their" electoral register as vital for Federal election events. The accuracy of the roll and roll services provided by the AEC to States and Territories appears to be a secondary outcome to the extent that some of the States (Victoria and WA) have developed their own enrolment systems to meet their specific Local Government based business requirements.

The AEC's paper-based processes and divisional management structure comes at an inflated cost relative to modern enrolment management approaches such as Smart Roll. Greater use of modern information management technology, as envisaged in the Smart Roll system, could give improved outcomes at a lower cost.

The key is the creation of a national organisation focussed solely on the provision of electoral enrolment register services to its clients, ie the proposed National Enrolment Authority (NEA)

4.1 Electoral Reform - NEA and Enrolment Services

4.1.1 The AEC's Paper Based Enrolment Process

As mentioned at paragraph 7.31 of the Green Paper, it is generally viewed that the current enrolment form may not be as effective at generating an enrolment response as has been the case in the past. When coupled with the paper based processes involved in the Continuous Roll Update (CRU) programme, it is not surprising that some people receiving this documentation have assumed that, given the AEC is writing to them at their new address, the AEC knows their address and hence they believe their new details have been updated.

Typically, the organisations/agencies receiving the highest priority for change of address notification are federal or State/Territory based utilities and then State/Territory agencies for transport, education, property etc and the Federal agencies for taxation, residency/citizenship, health and social security matters. Electoral authorities are often a much lower priority or indeed forgotten completely.

There is a belief amongst some State/Territory Electoral Commissioners that the AEC is too focussed in its reporting of enrolment form "transactions" that make up most of the key performance indicators associated with its Outcomes, rather than maximising the electorate's enfranchisement.

Occasionally, with the high levels of elector indifference between elections, together with the register/roll cleansing undertaken by the CRU processes of the AEC, Australian roll numbers have decreased¹¹. This reduced rate of enrolment is noticeable in the years between Federal election events, ie often at the same times that the States require up-to-date rolls for their own elections.

As mentioned earlier in this paper, under enrolment is particularly telling amongst those in the "young" demographic, ie those 20 to 35 years of age.

¹¹ Discussion Paper 11/07 (June 2007), Democratic Audit of Australia, Australian National University, Canberra, ACT 2600, Australia, <http://democratic.audit.anu.edu.au>

4.1.2 The Current Costs of Maintaining the Register

The AEC¹² is currently responsible for delivering three principal outcomes for the Australian community:

1. An effective electoral **roll/register**
2. An impartial and independent electoral system – providing election **event** services¹³
3. An informed community – especially elector **education**.

The first two outcomes are by far the most significant for the AEC. Using information gleaned from the AEC Annual Reports, their non-election year expenditure can be approximated and summarised as:

Table 2 - Estimated Approximate AEC Expenditure

Item	2005-06		2006-07		2008-09	
Expenditure - Rolls	\$72.9 M	70%	\$96.2 M	74%	\$66.0 M	59%
Expenditure - Events	\$26.5 M	25%	\$28.1 M	22%	\$28.8 M	26%
Expenditure - Education	\$5.0 M	5%	\$4.9 M	4%	\$17.7 M	15%
Total Expenditure	\$104.4 M		\$129.2 M		\$112.5 M	

As can be seen from Table 2 above, roll management is the largest "recurrent" expense for the AEC with the costs peaking before and tailing off after a Federal election.

The other main business outcome for the AEC is the management of Federal election events. Each State is divided into Federal Divisions with the level and type of staffing for each Federal Division established by the AEC. Event management is achieved in the main by the AEC utilising their network of some 150 offices (staffed by permanently employed Divisional Returning Officers and 2 - 3 staff) around Australia supplemented by thousands of temporary staff employed to man the polling places on election day - a significant cost to the AEC.

In order to offset some of the costs of staffing the Divisions, these offices are used between federal elections to process elector enrolment applications. As an example of the inefficiencies of these processes, the double handling of enrolment forms sent by a potential elector to a capital city postal box and then re-sent to one of the Divisional offices for data entry is not considered best practice in the 21st century.

Budgetary information contained in the various AEC's Annual Reports does not readily indicate the costs associated with the operation of the Divisional Returning Offices.

The following sections will assess the current roll and election management approaches and will examine an alternative approach which will deliver improved roll management outcomes at a lower overall cost through the use of Smart Roll processes.

4.1.3 The Paradox of Compulsory Enrolment

Most Australian electors "know" that it is compulsory to vote at elections and that fines apply for not voting. Few actually realise that it is compulsory for eligible citizens to be on the roll, even though sanctions are rarely applied.

¹² Note all Australian States and Territory Electoral Commissions also have similar goals etc.

¹³ For Federal elections and fee-for-service elections

Australia is among "20 countries ...where qualified electors must take the initiative¹⁴" to enrol rather than being enrolled under one form or other of direct enrolment by responsible, empowered Government agencies. Canada on the other hand is a country which uses a direct enrolment approach¹⁵.

Australians are accepting of the burdens attached to compulsory voting and it seems that there is a growing expectation in this connected society that enrolment should not be as difficult as it is, especially when most of the AEC "objections"¹⁶ to enrolment result from intrastate movements. As the AEC itself has stated in its June 2007 Review of the Continuous Roll Update (CRU) Programme:

"That the tension between the 'roll integrity' elements of accuracy and completeness may have contributed to the current decline in total enrolment numbers."

As mentioned earlier, failing to enrol generally results in no sanction, and indeed, even 'liberation'¹⁷ from the compulsory voting requirement since, for all practical purposes, unenrolled citizens are invisible to the AEC.

Given the high cost and relatively low performance of the current paper based enrolment system it is suggested that urgent consideration be given to the greater use by the AEC of Smart Roll methods and the opportunities that flow from such a reform.

4.1.4 Conclusion – a National Enrolment Authority (NEA)

An up-to-date and "live" Australian electoral register must be treated as a national asset.

An asset such as a national register (roll) of electors deserves a management focus and an attention to detail that only comes from the establishment of a body/authority whose sole responsibility is to provide current, relevant lists of eligible voters to those Australian (Federal, State/Territory and Local Government) institutions with a legislated need for the information contained within them.

Key benefits to be realised from the establishment of the NEA at this time are:

- Shared Governance – the NEA will have a governance structure which properly reflects the shared nature of a national roll – an equal share for all jurisdictions.
- Improved Federal Event Management – Reduce the conflict the AEC has in its operation - election events are all encompassing and roll activities generally suspended - and allow it to focus on its event management task.
- Reduced Replication of Effort - The introduction of a single national Smart Roll system for the benefit of all stakeholders rather than separate State implementations.
- Critical Mass of Skilled Staff – The NEA as a national body will have the size to ensure that the enrolment function has a sufficient number of skilled analytical, demographic and marketing resources to undertake the required tasks.

Further it is the NSWEC's contention that the NEA should not be part of the AEC. There are a number of powerful drivers for this view:

- A new national enrolment authority with equal governance for all participants - State and Federal - is probably more acceptable to State jurisdictions and could ensure its

¹⁴ Louis Massicotte, André Blais, and Antoine Yoshinaka, Establishing the Rules of the Game: Election, p67.

¹⁵ <http://www.elections.ca/intro.asp?section=ins&document=index&lang=e>

¹⁶ The AEC term for the removal of electors from the roll once the AEC has become aware that the elector has changed address and not notified them via the formal written completion and posting of the enrolment form.

¹⁷ In particular in NSW the roll is used by the Sherriff's Office for jury empanelment, hence unenrolled citizens are not called for jury service

establishment without the concerns of inheriting existing AEC organisational norms, such as the Divisional Returning/State Office structures.

- The provision of Smart Roll sourced election event products - "event list snapshots" - by a national authority, established with the concept of providing an unbiased service to all election event organisations for all elections, should provide certainty to all tiers of government.
- With active States' participation, a national enrolment authority, unconstrained by the need to conduct election events, could seek to obtain relevant electoral data from all of the allowable sources from all tiers of government in an unbiased and consistent manner.
- One national, elector-focussed enrolment authority for all enrolment purposes would minimise elector confusion.
- Smart Roll processes involve assessing electoral data from a range of sources - given the level of services provided by state based agencies/organisations, those sources tend to be more numerous and therefore valuable in assessing elector attitudes and movements.
- Institutions are increasingly becoming aware that younger "clients" (or electors in our jurisdictions) need increasingly sophisticated marketing means to attract the attention of those clients, let alone to persuade them to change their behaviour. Without that marketing sophistication, the "last 10 percent" are increasingly unachievable in any economic manner.
- The personnel skills sets needed to analyse, develop and implement national Smart Roll programmes to change behaviour, ie to encourage the reluctant to enrol, are not those generally found in organisations that are highly focussed on election event planning, process development, logistics and project management. Skills such as demographic analysis, behaviour analysis, database analysis and niche marketing are vital.
- Individual major election events are extremely distracting and resource intensive in their operation. The need for a national, continuously accurate electoral register to co-exist within an organisation whose focus is really electoral events will inevitably result in the electoral register suffering. Consequentially, if located within the one electoral event organisation, electoral register systems development would tend to match the needs of the election cycle, in the AEC's case three years or less, rather than their own longer term system development needs.

4.2 Electoral Reform - Impartial Election Event Services

The conduct of impartial elections is the second significant outcome highlighted by the AEC. If the roll authority philosophy of section 4.1.4 above is accepted and implemented there is the opportunity to reassess the management methods used for Federal election events.

Impartial assessment of the functions performed at a significant election event leads to the conclusion that the principal functions are largely the same whether for a Council by-election or a Federal election – the main variations being, obviously, scale and the variety and interests of the various stakeholders.

Some State legislative variations can lead to significant inconsistencies but, in a functional sense, these variations are only at the "edges" of election event processes¹⁸.

4.2.1 Current Election Event Processes

Electoral Commissions (or their equivalent) exist in each State and Territory. Their relative size is directly dependent on the size of the election events held and, to a lesser extent, on the level of electoral roll management conducted by each State. As the electoral register is managed by the AEC, in a functional sense the staff members in the various State/Territory Commissions are principally election event coordinators and managers. Staffing for an election event is largely sourced from thousands of temporarily employed returning officers and polling place officials who often work for both the AEC and State/Territory Commissions as events arise.

The only difference between states and the current AEC approach to staffing is that the AEC has permanently staffed divisional offices around the nation while the state offices use temporary staff and offices. The AEC currently uses the 150 permanent returning officers to manage the Divisional aspects of the federal election events. Between events they are also involved in elements of the largely mail and paper based roll management process. They also and provide an un-defined level of support to their relevant House of Representatives member.

An objective assessment of the conduct of election events across Australia would question the need for nine election event management groups (AEC and the eight other State/Territory Commissions), perhaps necessary in the 19th century but surely unnecessary in the 21st century.

The following points characterise the current election event environment in Australia:

- Federal Lower House Divisions do not cross State boundaries.
- The AEC operationally has a State structure.
- The actual management of Federal events is via both the State AEC office and the AEC Divisional offices within the State.
- In each State there is a state election event manager (the various Electoral Commissions) who generally conducts more significant and more complex election events than the AEC, ie all of the State and particularly Local Government elections¹⁹.
- Many jurisdictions in Australia have fixed term Parliaments which reduce the costs and risks associated with the conduct of elections.

Given the above, there is an obvious functional overlap between the AEC and the State Commissions at the State level of election event management which offers an opportunity to use shared resources.

¹⁸ NSW Lower House preferential voting procedure differences resulted in significant informal voting levels in NSW Federal Divisions in the November 2007 Federal Election.

¹⁹The NSW local Government elections comprise over 300 elections (Councils, wards and mayoral) and 5000 often politically unaware candidates.

4.2.2 Conclusion – the AEC - a National Election Event Manager

Assuming the establishment of a National Enrolment Authority that is independent of any particular event, it is possible to conceive a revised role for the AEC, ie the AEC as the Federal election event manager.

This would ensure its focus was on all aspects of the event, particularly on the provision of prompt, reliable and trusted results.

It is also possible to envisage increased co-operation between the AEC and the State Commissions with regard to the "on-the-day" staffing and field organisation and management of events. As an example it is not surprising that polling place locations and staff used are very similar across the jurisdictions.

Australia's Prime Minister, the Hon. Kevin Rudd, has indicated his desire to conduct a referendum on the four year, fixed term for Parliament issue in conjunction with the likely next Federal election in 2010²⁰.

A further indicative costing analysis is outlined in Section 4.3.3 below.

4.3 The Way Forward

4.3.1 Establishment of a National Enrolment Authority (NEA)

A number of aspects of this policy direction require confirmation and assessment:

- Confirm the agreement, in principle, of the States and Territories to the concept of a National Enrolment Authority, noting the renewed interest in COAG co-operation.
- Establish a joint Federal/State NEA Steering Committee to rapidly assess the feasibility of the policy.
- Investigate the potential requirement for legislative change – both Federal and State - with the introduction of national Smart Roll concepts as a core enabling precursor.
- Establish broad governance principles of the Authority – equal Federal/State representation, the role of stakeholders such as political parties etc.
- Establish actual, current AEC and State enrolment costs.
- By June 2011 produce, for inclusion in the 2012/13 Federal Budget process, a succinct business case and draft project plan including one-off reorganisation costs and high-level capital and recurrent budgets - including the use of other parties to supply "front-office" services, eg Councils etc.
- Establish a goal for enrolment improvement – perhaps a 600,000 reduction in the eligible enrolment gap for the 2016/17 Federal election.
- Joint Federal and State assessment and agreement to progress the implementation of the NEA.
- Operate the NEA Australia-wide prior to the 2016/17 Federal election.

²⁰ Sydney Morning Herald 11 October 2007 at <http://www.smh.com.au/articles/2007/10/10/1191695991663.html> and the ALP National Platform and Constitution – Chapter 11 – Reforming Government – Participation in the Democratic Process – Item 28.

4.3.2 Restructure the AEC to be the Federal Election Event Manager

Having arranged the processes to establish the NEA, the slightly delayed but parallel consideration of the restructuring of the AEC into a Federal election event manager should be commenced.

4.3.3 Provisional Cost Reduction Assessment

A) Current AEC Costs

Using information publically available from the various AEC Annual Reports, including information for the 2008/09 financial year, it appears as though:

- The AEC currently requires a yearly recurrent budget of approximately \$100 million as a base case without considering the additional costs of preparing and conducting a specific Federal election event. Cost recoveries from the States via the Joint Roll Agreement have not been considered in this preliminary analysis as the initial focus should be on the cost of any services provided. Cost recovery should be considered subsequently for its policy and financial value.
- AEC election event costs are typically spread over two financial years. The first year includes extra expenditure to ensure the electoral register is refreshed and the second year includes the cost of the event itself, including candidate funding and any advertising/education deemed necessary. For the 2007 Federal election the available data indicates that the event cost, without candidate funding, was approximately \$95 million²¹.

B) Probable NEA (Enrolment) and AEC (Event) Costs

Assuming the implementation of the NEA and then the restructuring of the AEC into an event organisation, it is estimated that:

- Using costs structures extrapolated from the costs incurred by State Electoral Commissions, it is estimated that the overall yearly recurrent budget of both the new AEC and NEA should be approximately \$65 million per annum - a reduction of about \$35 million per annum from the current \$100 million average AEC yearly recurrent expenditure. This assumes a significant rationalisation of the AEC Division structure, the establishment of a national enrolment register using Smart Roll enrolment techniques and the sharing of Federal and State resources for the planning of significant election events. These figures are consistent with the Canadian experience.
- Depending on the scale of education/advertising required for the electorate, it is expected that national election events' budgets will be increased to approximately \$115 million per event due to the need to employ more temporary staff to replace the current permanently employed Divisional Returning Officers and their staff.
- Electoral Commissions are cyclic in their operation, ie 'base' years and events. A true cost comparison can only be achieved by examining the costs of operations in a whole election cycle, hence in the federal jurisdiction three years of base expenditure and one event.
- The current AEC three year cycle cost is estimated to be \$395 million, ie three years of \$100 million and an event cost of \$95 million.

²¹ http://www.aec.gov.au/Elections/federal_elections/2007/media/key_facts.htm

- The estimated three year cost of the new AEC and NEA would be \$310 million, ie three years of \$65 million and an event cost of \$115 million.
- The cost savings over a three year election cycle should be as high as \$85 million.