
The Parliament of the Commonwealth of Australia

The Integrity of the Electoral Roll

Review of ANAO Report No. 42 2001-02, *Integrity of the
Electoral Roll*

Joint Standing Committee on Electoral Matters

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Canberra

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Contents

Foreword.....	v
Membership of the Committee.....	vii
Terms of reference	viii
List of abbreviations.....	ix
List of recommendations.....	x
Executive summary	xiii
1 Introduction.....	1
The Electoral Roll	1
Conduct of the review.....	2
Earlier reviews	2
Audit Report No. 42.....	3
Structure of the Report.....	5
2 Analysis of Roll Integrity.....	7
Introduction.....	7
The Accuracy of the Roll	7
Completeness.....	10
Validity.....	11
Security	12
Fraudulent Enrolments.....	13

3	Administration of the Roll	17
	Introduction.....	17
	Maintenance of the Electoral Roll - Continuous Roll Update	17
	Implementation of a consistent national CRU program	20
	Issues affecting use of CRU.....	22
	Identification of data sources.....	22
	Access to State and Territory data	23
	Australia Post mail delivery	27
	CRU Streamlining.....	29
	CRU verification.....	30
4	AEC Management Issues	31
	Introduction.....	31
	Management information systems	31
	AEC procedures manuals.....	33
	Implementation of Audit recommendations	33
	Cost recovery.....	35
	Stakeholder relationships	37
	Appendix A – Status Report on AEC’s Implementation of Recommendations from Audit Report No. 42	39
	Appendix B – List of Submissions	49
	Appendix C – List of Exhibits	51
	Appendix D – Public Hearing and Witnesses	53

LIST OF FIGURES

Figure 1	Timeline of Events leading to Review of Audit Report No. 42	3
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Foreword

This report examines the report by the Australian National Audit Office (ANAO), *Integrity of the Electoral Roll* (Audit Report No. 42 of 2001-2002), which concerns the accuracy, completeness, validity and security of the Electoral Roll, and the effectiveness of the Australian Electoral Commission's (AEC) management of the Electoral Roll in ensuring the Electoral Roll's integrity. The ANAO made 12 recommendations, all of which the AEC agreed with. The Committee also broadly agrees with these recommendations and has made some additional recommendations.

The Committee considers that the integrity of the Electoral Roll is of fundamental importance to the integrity of our system of representative democracy. The integrity of the Electoral Roll should be tested and reported on regularly, and the testing and reporting should be comprehensive, rigorous and transparent. Targets for the accuracy, completeness and validity of the Electoral Roll should be set (where they do not already exist), and should be reported on and used as performance indicators for the AEC.

A major feature of the Audit Report was the finding that the Roll was 96 percent accurate. A figure like this inspires great confidence. However, the independent data matching established only that the Electoral Roll was accurate to 96 percent as to names and dates of birth. It did not establish that people defined by name and date of birth were correctly enrolled in the State, the Division or at the address at which they resided. In the absence of such matching, the ANAO's conclusion of 96 percent accuracy is not proven. However, the Committee notes that a finding of 96 percent accuracy does not necessarily imply that there is 4 percent inaccuracy.

The AEC maintains the accuracy of the Electoral Roll using a process called 'Continuous Roll Update' (CRU). The ANAO considered that this is an effective means of managing the Electoral Roll. However, this process has been implemented in an ad hoc manner, without strategic planning for a consistent national approach. The Committee makes a number of recommendations that are directed at addressing these defects, including:

- that the AEC develop and implement national standards for updating the Electoral Roll, and also a timetable for implementing a consistent national CRU program; and
- that the AEC centralise its negotiations with State and Territory agencies for access to data sources.

The effectiveness of CRU in maintaining an accurate Electoral Roll should also be tested by conducting periodic, random spot checks of enrolment details at a sample of addresses. A total habitation review of a sample electoral division should also be conducted to test the accuracy of individual enrolments at the correct address.

AEC management issues were considered by the ANAO in so far as they affect the integrity of the Electoral Roll. The Committee considers that the AEC must implement more effective management information systems, capable of providing the AEC with accurate estimates of the costs of, and the timetable for, implementing enrolment activities, and adequate to analyse and report on its activities.

The Committee believes that implementation of the Audit Report recommendations should be conducted expeditiously. It is recommended that the ANAO conduct a follow-up audit to its 2001-02 audit of the integrity of the Electoral Roll, well in advance of the next Federal Election. This will enable the Committee to review the progress of the AEC in implementing the ANAO's recommendations, again well in advance of the next Federal Election.

The AEC indicated that it might require additional resources for the implementation of the ANAO's recommendations. The Committee recommends that the AEC report to it on the AEC's funding requirements for this. However, the AEC should also develop and implement a pricing regime to charge for use of Electoral Roll data, and should review pricing arrangements for the exchange of data with CRU data sources.

The Committee appreciates the contributions made by the AEC to this inquiry in both its written submissions and participation by its representatives in the public hearing. The Committee thanks the ANAO for its participation in the public hearing and for the staff support provided for the conduct of this inquiry.

Finally, I thank my Committee colleagues and the secretariat staff for their work in conducting this inquiry.

Mr P Georgiou MP
Chair



Membership of the Committee

Chair Mr P Georgiou MP

Deputy Chair Mr M Danby MP

Members Senator A J Bartlett

Mr J A Forrest MP

Senator G Brandis
(from 28 August 2002)

Ms J Hall MP
(27 June 2002 to 19 August 2002)

Senator J Ferris
(until 28 August 2002)

Mrs S P Ley MP

Senator A J M Murray

Mr D Melham MP
(until 27 June 2002 and from 19 August 2002)

Senator B J Mason

Senator the Hon R F Ray

Committee Secretariat

Secretary Mr Trevor Rowe

Inquiry Secretary Mr Christian Anderson

Research Officers Ms Sonia Palmieri
Mr Alex Olah

Administrative Officer Mr Shane Read



Terms of reference

The review of Audit Report No. 42 of 2001-02, *Integrity of the Electoral Roll*, was undertaken in accordance with established practice whereby committees of the Parliament other than the Joint Committee of Public Accounts and Audit may examine reports of the Auditor-General tabled in either the House of Representatives or the Senate.



List of abbreviations

AEC	Australian Electoral Commission
ANAO	Australian National Audit Office
CRU	Continuous Roll Update
DIMIA	Department of Immigration and Multicultural and Indigenous Affairs
JCPAA	Joint Committee of Public Accounts and Audit
JSCEM	Joint Standing Committee on Electoral Matters



List of recommendations

2 Analysis of Roll Integrity

Recommendation 1

The Committee recommends that the Australian Electoral Commission set a target for Electoral Roll accuracy, embracing accurate name, birth date and address and, commencing in 2002-03, use this target as a performance indicator in its Portfolio Budget Statements and report performance in its annual reports. (paragraph 2.20)

Recommendation 2

The Committee recommends that the Australian Electoral Commission set a target for Electoral Roll validity and, commencing in 2002-03, use this target as a performance indicator in its Portfolio Budget Statements and report performance in its annual reports. (paragraph 2.29)

Recommendation 3

The Committee recommends that the Australian Electoral Commission report to the Committee, on a 12-monthly basis, outlining the circumstances of cases where enrolment forms have not been accepted as valid immediately, but have been subject to verification. (paragraph 2.31)

Recommendation 4

The Committee recommends that the integrity of the Electoral Roll be tested by a total habitation review of a sample electoral division in a State which has not had an election in the 12 months preceding the habitation review. (paragraph 2.39)

Recommendation 5

The Committee recommends that, at the earliest opportunity in 2002-03, policies and procedures for Australian Electoral Commission staff, aimed at preventing and detecting electoral fraud, be incorporated in the proposed electoral fraud control plan. (paragraph 2.47)

3 Administration of the Roll

Recommendation 6

The Committee recommends that the Australian Electoral Commission provide the Committee with regular 12-monthly progress reports on its development and implementation of:

- national standards for updating the Electoral Roll; and
- a timetable for the implementation of a consistent national Continuous Roll Update program. (paragraph 3.16)

Recommendation 7

The Committee recommends that the Australian Electoral Commission's Central Office conduct the negotiations with State and Territory agencies to ensure it has optimal access to relevant Continuous Roll Update data sources in all States and Territories. (paragraph 3.35)

Recommendation 8

The Committee recommends that the Australian Electoral Commission consider whether the Joint Roll Arrangements should be modernised to take into account recent changes in the of Continuous Roll Update process. (paragraph 3.37)

Recommendation 9

The Committee recommends that the Australian Electoral Commission conduct periodic, random spot checks of enrolment details at a sample of addresses as a means of testing whether the Continuous Roll Update process is working effectively in maximising accuracy of enrolment details. (paragraph 3.61)

4 AEC Management Issues

Recommendation 10

The Committee recommends that, as a matter of priority, the Australian Electoral Commission implement more effective management information systems, with a view to ensuring it has the ability to:

- establish target levels for accuracy, completeness and validity of the Roll and assess whether targets have been met;
- determine the costs of, and timetable for, implementing the Australian National Audit Office's recommendations;
- prevent and detect electoral fraud;
- determine the true cost of producing the Electoral Roll;
- ensure that the Electoral Roll is generally managed effectively; and
- provide greater transparency and accountability through better performance reporting. (paragraph 4.7)

Recommendation 11

The Committee recommends that the Australian Electoral Commission consider making its procedures manuals and related material available to its staff 'on-line', via the Commission's Intranet, and making them available to the public where this is consistent with fraud control protocols. (paragraph 4.10)

Recommendation 12

The Committee recommends that, as soon as practicable, the Australian Electoral Commission report to the Committee as to when the recommendations in the Audit Report will be implemented and, where appropriate, the funding needed to implement them. The implementation should be conducted expeditiously in order to enable a follow-up audit to be conducted well in advance of the next Federal Election. (paragraph 4.20)

Recommendation 13

The Committee recommends that the Australian National Audit Office conduct a follow-up audit to its Audit into the 'Integrity of the Electoral Roll', so that the Committee can review the Australian Electoral Commission's progress in implementing the recommendations from the Audit Report, well in advance of the next Federal Election. (paragraph 4.21)

Recommendation 14

The Committee recommends that, with a view to recovering costs associated with the provision of the Electoral Roll data to Commonwealth agencies and departments listed in Schedule 2 of the *Electoral and Referendum Regulations 1940*, the Australian Electoral Commission:

- develop and implement a pricing regime to charge for use of Electoral Roll data; and
- review current pricing arrangements for the exchange of data with Continuous Roll Update data sources. (paragraph 4.29)



Executive summary

Chapter 1 – Introduction

Chapter 1 contains background information on the Australian Electoral Roll ('Electoral Roll'), an outline of events leading to the review of Audit Report No. 42, *Integrity of the Electoral Roll*, a summary of previous reviews of the Electoral Roll including Audit Report No. 42, and a guide to the structure of this report.

Chapter 2 – Analysis of Roll Integrity

Chapter 2 provides an analysis of the four elements of Electoral Roll integrity: accuracy, completeness, validity and security, and consideration of the issue of fraudulent enrolments.

Accuracy

A key element of the Audit that the Committee was concerned with was the extent to which the ANAO analysis independently validated the Australian Electoral Commission's (AEC) claims that the Roll is accurate and reliable. The ANAO's conclusion, on the basis of its independent data-matching of the Electoral Roll and the Medicare database, was 'that at close of roll for the November 2001 election, the roll was over 96 percent accurate. The remaining four per cent would require additional investigation to confirm their accuracy.'

In fact the independent data matching established only that the Electoral Roll was accurate to 96 percent as to names and dates of birth, that is, as to individuals entitled to be on it. It did not establish that people defined by name and date of birth were correctly enrolled in the State, the Division or at the address at which they resided. The Committee is of the view that, given the AEC's definition of accuracy, the ANAO should have sought to match not only names and birth dates, but also addresses. In the absence of such matching, the ANAO's conclusion of 96 percent accuracy is not proven. The Committee notes that assertions that the Roll is 96 percent accurate do not necessarily imply 4 percent inaccuracy.

The Committee recommends that the Australian Electoral Commission (AEC) set a target for Electoral Roll accuracy, embracing accurate name, birth date and address and, commencing in 2002-03, use this target as a performance indicator in its Portfolio Budget Statements and report performance in its annual reports.

Completeness

The AEC has a target of enrolling 95 percent of people eligible to vote. Market research conducted by the AEC to test enrolment levels indicates enrolment completeness is about 95 percent. The ANAO, having derived a notional figure for the number of Australian citizens by adjusting the Medicare data, came to a similar conclusion that the Electoral Roll is 95.1 percent complete.

Validity

Valid enrolment requires the attainment of 17 years of age, being an Australian citizen or eligible British subject, and having lived in the Division for at least one month. The Roll was matched against the Medicare database residency codes. This and some ancillary checking against Department of Immigration, Multicultural and Indigenous Affairs (DIMIA) and other relevant data led the ANAO to conclude that, of the AEC records matched to Medicare records, '99 per cent could be confirmed ... indicating that less than 1 percent of matched records would require further investigation for validation.' The Committee regards this conclusion as somewhat optimistic. The Medicare 'Australian resident' code is a very crude surrogate for citizenship.

The Committee recommends that the AEC set a target for Electoral Roll validity and, commencing in 2002-03, use this target as a performance indicator in its Portfolio Budget Statements and report performance in its annual reports.

The Committee recommends that the AEC report to the Committee, on a 12-monthly basis, outlining the circumstances of cases where enrolment forms have not been accepted as valid immediately, but have been subject to verification.

Security

The ANAO observed that, despite the AEC having internal procedures in place to ensure the Electoral Roll is secure, it has gaps in its security features regarding the unauthorised use of Electoral Roll data.

The Committee notes that its report on the conduct of the 1996 Federal Election recommended that the AEC review sections 89 to 92 of the *Commonwealth Electoral Act 1918* ('Electoral Act'), so as to take into account the developments in computer technology. The ANAO recommended that the AEC give priority to completion of this review. The AEC agreed, and has recently provided some

recommendations regarding sections 89 to 92 in its submission to the Committee for its Inquiry into the conduct of the 2001 Federal Election. The Committee will review these recommendations in due course.

Fraudulent Enrolments

The Committee is of the view that the issue of the accuracy of individual enrolments at the correct address needs to be adequately assessed. The Committee recommends that the integrity of the Roll be tested by a total habitation review of a sample electoral division in a State that has not had an election within the preceding 12 months.

The ANAO considers that the AEC's policies and procedures are adequate to detect the majority of attempts at electoral fraud. However, it was apparent from the responses from both organisations that the AEC's fraud control plans could not guarantee total prevention of electoral fraud. The Committee believes that the AEC could expend more effort in developing fraud control plans and strategies to address this potential risk to the electoral system. The Committee recommends that, at the earliest opportunity in 2002-03, policies and procedures for AEC staff, aimed at preventing and detecting electoral fraud, be incorporated in the proposed electoral fraud control plan.

Chapter 3 – Administration of the Roll

Maintenance of the Electoral Roll – Continuous Roll Update

Up until 1998, the AEC used habitation reviews as a means of ensuring the accuracy and completeness of the Electoral Roll. Greater use has been made of available technology by moving to Continuous Roll Update (CRU).

In conducting CRU, the AEC uses its own data and data from external sources to undertake data-matching and data-analysis activities to identify new electors, electors to be removed from the Electoral Roll, and addresses where residents have moved. Using the results, the AEC sends letters and enrolment forms to individuals inviting them to enrol or update their details. As individuals respond, the Electoral Roll is updated. Using CRU, the AEC has improved its ability to periodically review the Electoral Roll. For example, it has increased the frequency of its reviews.

The Committee notes the Audit Report finding that the CRU methodology is an effective means of managing the Electoral Roll and is capable of providing a roll that is highly accurate, complete and valid. It also notes the Audit Report's conclusion that CRU had developed in an 'ad hoc' manner, without strategic planning for a consistent national approach.

Implementation of a consistent national CRU program

The Committee recommends that the AEC provide the Committee with regular 12-monthly progress reports on its development and implementation of:

- national standards for updating the Electoral Roll; and
- a timetable for the implementation of a consistent national Continuous Roll Update program.

Access to State and Territory data

Negotiations between the AEC and State and Territory agencies

The Audit Report found that the AEC does not have access to State agency data in New South Wales and Victoria. The Committee is concerned with the limitations in the AEC's access to data sources in the two most populous States. The Committee is also concerned that the responsibilities for negotiating access to State and Territory data sources are not clearly defined, and that this results in sub-optimal access to those sources. The Committee recommends that the AEC's Central Office conduct the negotiations with State and Territory agencies to ensure it has optimal access to relevant Continuous Roll Update data sources in all States and Territories.

The Committee recommends that the AEC consider whether the Joint Roll Arrangements should be modernised to take into account recent changes in the Continuous Roll Update process.

AEC demand powers

Under the Electoral Act, the AEC can demand information it requires for the preparation, maintenance or revision of the Electoral Roll. The Audit Report noted that the AEC had not fully tested its demand powers when seeking information from State agencies. The ANAO suggested that the AEC should fully test its demand powers, and if it finds them inadequate, should bring the matter to the attention of the Government. The Committee notes that the AEC's submission to the Inquiry into the conduct of the 2001 Federal Election, dated 12 July 2002, includes a recommendation that the relevant section of the Electoral Act be amended to expand the demand power of the AEC. The Committee will examine the proposal as part of the Inquiry.

Australia Post mail delivery

The Audit Report noted that Australia Post mail delivery had an impact on the effectiveness of CRU: in particular, a large number of letters sent by the AEC were not delivered but were returned to Divisional offices. The ANAO considered that communications between the AEC and Australia Post could be strengthened by the development of a Memorandum of Understanding between the two agencies. The Committee believes that the AEC should explore this possibility.

CRU Streamlining

The ANAO identified automatic roll updating (known as Direct Address Change) as a mechanism capable of increasing the efficiency of the CRU process. Automatic roll updating involves the cross matching of the Electoral Roll to high quality data sources, where the change of address information has already been verified. The Committee acknowledges that automatic roll updating provides a means of streamlining CRU. However, it sees potential for inaccurate outcomes if the elector is not directly involved in the process. Accordingly, the Committee has reservations about automatic roll updating, and considers that the AEC should give this careful consideration.

CRU verification

In its analysis of the integrity of the Electoral Roll, the ANAO suggested measures to check the effectiveness of the CRU process in maintaining an accurate Electoral Roll. For example, Recommendation 9 of the ANAO Audit Report is: 'To measure the accuracy of the Electoral Roll, the ANAO recommends that the AEC consider introducing a periodic review of a sample of the Electoral Roll.' The Committee also recommends that the AEC conduct periodic, random spot checks of enrolment details at a sample of addresses as a means of testing whether the Continuous Roll Update process is working effectively in maximising accuracy of enrolment details.

Chapter 4 – AEC Management Issues

Management information systems

The ANAO found that there were significant shortcomings in the AEC's management information systems. Recommendation 5 of the Audit Report was that the AEC upgrade its management information systems to improve monitoring and reporting.

The Committee is concerned that the AEC's current management information systems are not capable of providing the AEC with accurate estimates of the costs of, and the timetable for, implementing enrolment activities, and are inadequate for analysing and reporting on its activities. The Committee recommends that, as a matter of priority, the AEC implement more effective management information systems, with the capabilities detailed in this Report.

AEC procedures manuals

The Audit Report identified that efficiency in processing and reviewing enrolments would be enhanced if the AEC's State Head Offices and Divisional Offices could access procedural manuals and related material on-line, rather than continuing their current reliance on hard copies. The Committee recommends that the AEC consider making its procedures manuals and related material available to its staff 'on-line', via the Commission's Intranet, and making them available to the public where this is consistent with fraud control protocols.

Implementation of Audit recommendations

The Committee noted that the AEC accepted the 12 recommendations made in the Audit Report. The AEC indicated that the implementation of these recommendations might be hampered by limited resources. The Committee recommends that, as soon as practicable, the AEC report to the Committee as to when the recommendations in the Audit Report will be implemented and, where appropriate, the funding needed to implement them. The implementation should be conducted expeditiously in order to enable a follow-up audit to be conducted well in advance of the next Federal Election.

The Committee recommends that the ANAO conduct a follow-up audit to its Audit into the 'Integrity of the Electoral Roll', so that the Committee can review the AEC's progress in implementing the recommendations from the Audit Report, well in advance of the next Federal Election.

Cost recovery

The Committee noted comments from the AEC about the overall burden of managing the Electoral Roll without an adequate increase in funding. Electoral laws provide for specified persons and organisations to have access to Roll data, and for the AEC to charge reasonable fees for goods or services supplied. The public hearing made apparent that the AEC was paying commercial rates for information it needed from other government agencies, but was not charging commercial rates for the information it was required to provide to other government agencies.

The Committee recommends that, with a view to recovering costs associated with the provision of the Electoral Roll data to Commonwealth agencies and departments listed in Schedule 2 of the *Electoral and Referendum Regulations 1940*, the AEC:

- develop and implement a pricing regime to charge for use of Electoral Roll data; and
- review current pricing arrangements for the exchange of data with CRU data sources.

Stakeholder relationships

One of the six themes in the AEC *Strategic Plan 2001-04* is managing relationships with customers and stakeholders. However, the ANAO found that none of the strategies identified for planning and implementation refer to the AEC's relationships with its key stakeholders.

Recommendation 7 in the Audit Report is that the AEC consult with its key stakeholders and develop ways to conduct, manage and report on these relationships. The Committee endorses this recommendation.