

AUSTRALIAN ELECTORAL COMMISSION

SUBMISSION ONE

**TO THE INQUIRY BY THE JOINT STANDING
COMMITTEE ON ELECTORAL MATTERS INTO
CERTAIN ASPECTS OF THE ADMINISTRATION OF
THE AUSTRALIAN ELECTORAL COMMISSION**

28 June 2007

Background

1. Introduction

1.1. The Special Minister of State requested the Joint Standing Committee on Electoral Matters (JSCEM) inquire into certain aspects of the administration of the Australian Electoral Commission (AEC) and report on the following terms of reference on or before 17 September 2007:

- the adequacy of AEC co-location (sic) of divisional offices, including both financial and social consequences of co-locations,
- the number of staff and the employment structure of staff in divisional offices,
- whether the current arrangements meet career expectations for AEC officers,
- whether the current arrangements meet community expectations about the appropriate use of staffing resources,
- what any change to these arrangements would mean for the previous two points,
- what level of staffing would be required to meet ongoing habitation reviews,
- whether the current APS staffing levels are appropriate for the actual work of divisional offices, and
- any other issues relating to the staffing of divisional and central offices which may be raised in submission or by the committee.

1.2. On 4 April 2007 the Inquiry Secretary wrote to the Electoral Commissioner, advising the AEC of the terms of reference of the inquiry. This submission is provided in response to that letter.

2. Definitions

2.1. Before considering information relevant to the Committee's terms of reference, it might be useful to provide a definition of what is generally understood by the term "collocation" within the AEC. It should be pointed out that there has been some confusion between the terms "collocation" and "amalgamation" when used in the context of arrangements for divisional offices in the AEC by parties outside the AEC. There is an assumption that they are interchangeable and that all "collocated" divisional offices are "amalgamated". In fact, the two terms describe different work arrangements.

2.2. The Concise Oxford Dictionary defines **collocate** as "place together" and **amalgamate** as "combine to form one structure". These definitions are apposite for arrangements for divisional offices in the AEC.

2.3. A "collocated" office is where two or more divisional offices share the same premises. Of a necessity, this means that at least one of the divisional offices is located outside the boundaries of its division. There are no changes to the staffing arrangements of the divisional offices in the collocation – each divisional office in a collocation is entitled to the same staffing profile as a "stand-alone" divisional office (an APS6, an APS3 and an APS2) comprising combinations of ongoing, non ongoing and temporary staff.

2.4. An element of collocation is common accommodation features, such as a shared counter and public area and a shared amenities area. Collocated divisions usually share some work across the offices. For example, a site might operate with a single roll management team, comprising most of the staff in the collocated office and headed by one of the Divisional Returning Officers (DROs), undertaking enrolment processing for all divisions in the collocation. At elections it is not unusual for one team within a collocated office to undertake postal vote processing on behalf of all divisions in the collocation and another team to undertake

issuing pre-poll votes. It is important to note that in collocated offices, there is a DRO designated for, and appointed for, each of the separate divisions at all times.

2.5. An “amalgamated” office is where two or more divisional offices share the same premises and the staffing of the divisional offices has been combined into a single structure. While the actual number of staff is usually the same (for example, if there are two divisions in the amalgamation there will be six staff), the staffing profile is not restricted to the same classifications as a “stand-alone” divisional office. There is an individual staff member on site with responsibility for the management of all the functions at the amalgamated site, but during an election a DRO is appointed for each division.

2.6. It follows that, while all amalgamated offices must also be collocated, not all collocated offices are amalgamated, and in fact very few are.

2.7. It should be noted that in all capital cities except Perth, two or more divisional offices are collocated with the AEC’s State Office. For example, the AEC’s South Australian State Office is collocated with the divisional offices for the Divisions of Adelaide and Sturt in the Adelaide central business district (CBD). In this arrangement the divisional office for the Division of Sturt is outside the divisional boundary.

2.8. In Perth a single divisional office shares premises with the AEC’s State Office. Strictly speaking this is not a collocation, as the divisional office for the Division of Perth is not located outside the boundaries of its division.

3. History of shared premises and collocations

3.1. The AEC has had divisional offices sharing premises since 1974 when the divisions of Bass and Wilmot (now Lyons) were collocated in Launceston¹. There are currently 46 divisional offices sharing premises across 18 different sites. These include:

- 11 divisional offices sharing premise in NSW across four sites
- 6 divisional offices sharing premises in Victoria across two sites
- 13 divisional offices sharing premises in Queensland across four sites
- 3 divisional offices sharing premises in Western Australia
- 5 divisional offices sharing premises in South Australia
- 4 divisional offices sharing premises in Tasmania
- 2 divisional offices sharing premises in Darwin, and
- 2 divisional offices sharing premises in the Australian Capital Territory.

3.2. Since the *Commonwealth Electoral Act 1918* (the Act) was amended in 2006, a divisional office may only be located outside the divisional boundaries with the written approval of the Minister (s38 (1)). In October 2006, the Special Minister of State approved the collocation of the divisional offices for Banks and Blaxland at a single site in Bankstown and for Fowler and Prospect at a single site in Fairfield. These collocations are expected to take place in August 2007, which will then increase the number of divisional offices sharing premises to 50 across 20 sites.

3.3. Table 1 shows divisional offices (and where appropriate, State Offices) sharing premises, the location, the date the arrangements commenced, and whether the collocated divisional offices are amalgamated.

¹ Bass and Wilmot were previously located on adjacent floors in the Customs House in Launceston from 1922 to 1974. This was described at the time as cohabitation rather than collocation, as the offices had no shared features such as a common counter, but still involved the Wilmot office being located outside the divisional boundary.

Table 1: Divisional Offices in Shared Premises

Offices	State	Location	Date
Canberra / Fraser	ACT	Canberra City	1996
Banks / Blaxland	NSW	Bankstown	2007 (i)
Bennelong / Berowra / Bradfield / North Sydney	NSW	Chatswood	2003 (ii)
Fowler / Prospect	NSW	Fairfield	2007 (i)
Hunter / Paterson	NSW	East Maitland	2004
Macarthur / Werriwa	NSW	Campbelltown	2000
NSW State Office / Grayndler / Sydney / Wentworth	NSW	Haymarket	2000 (iii)
NT Office / Lingiari / Solomon (iv)	NT	Darwin	2000 (v)
Blair / Oxley (vi)	QLD	Ipswich	1997
McPherson / Moncrieff (vi)	QLD	Southport	1988
QLD State Office / Bonner / Brisbane / Griffith / Lilley / Moreton / Ryan	QLD	Brisbane	2004 (vii)
Fadden / Forde / Rankin	QLD	Beenleigh	2003
Boothby / Hindmarsh / Kingston	SA	Oaklands Park	1996
SA State Office / Adelaide / Sturt	SA	Adelaide	2003 (viii)
Bass / Lyons	TAS	Launceston	1974
TAS State Office / Denison / Franklin (vi)	TAS	Hobart	1987
Casey / Chisholm / Deakin / Menzies	VIC	Ringwood	1998
VIC State Office / Melbourne / Melbourne Ports (ix)	VIC	Melbourne	1999
Hasluck / Pearce (vi)	WA	Midland	2001
WA State Office / Perth	WA	Perth	2002

Notes to Table 1:

- i. Anticipated date of collocation
- ii. Bradfield and North Sydney collocated in 1991. Bennelong joined collocation in 1999 and Berowra joined collocation in 2003.
- iii. NSW State Office, Grayndler and Sydney collocated 1998. Wentworth joined collocation in 2000.
- iv. Divisional offices and Northern Territory Office are amalgamated.
- v. Northern Territory Office has always shared premises with the divisional office(s) in Darwin.
- vi. Divisional offices are amalgamated.
- vii. QLD State Office and Brisbane collocated in 1996. Lilley and Moreton joined collocation in 2000, Bonner and Griffith in 2003 and Ryan in 2004.
- viii. SA State Office and Adelaide collocated in 1997. Sturt joined the collocation in 2003. From 1989 to 1997, SA State Office and Adelaide were both located in the Commonwealth Centre, but on different floors.
- ix. VIC State Office and the collocated divisions of Melbourne and Melbourne Posts are on different floors and do not have share features such as a common counter.

3.4. As at 30 June 2006, the costs of operating the 20 shared premises identified in Table 1, were \$1.9 million for rent and \$509,000 for voice and data communications connection costs. If in each case in Table 1 that a divisional office located outside the divisional boundaries were to be extracted from shared premises and relocated to individual premises within the relevant division, and divisional offices and state offices were no longer to share premises, the estimated new cost would be \$2.17 million for rent and \$1.3 million for voice and data communications connection costs, representing an increase of \$1.06 million per annum in ongoing costs. In addition, there would be a one-off cost, calculated as at 30 June 2006, of \$8.4 million for the relocation to new premises².

4. Key Issues

4.1. The AEC is accountable to the Federal Parliament and Government to deliver three outcomes for the Australian community: an effective electoral roll, an impartial and independent electoral service, and a community informed about electoral matters. These responsibilities present the AEC with a number of challenging management issues.

4.2. The AEC's work in delivering these outcomes is built around a three-year business cycle, driven by the cyclical nature of key electoral events and complicated by the uncertain timing of Federal elections. These cyclical and unpredictable features of our business require flexibility in management response.

4.3. This cyclical nature of our business necessitates a flexibility in management response, and human and financial resources need to be carefully positioned to enable the AEC, to deliver the electoral services required by our clients and stakeholders. A dogmatic, or template-driven approach to staff deployment could limit the AEC in ensuring that staff are optimally located: nor would this type of approach provide a solution to the challenge of how to deploy staff to deliver these outcomes. As a result, it is axiomatic that a fully distributed network comprising an individual office with only three staff in each division may not always be the best solution.

4.4. Social and technological changes affecting the Australian community are giving rise to expectations for improvements to electoral services and different means of service delivery. Our legislation can be the source of some impediments in meeting these new demands, especially where particular technologies that are becoming outmoded have been written into law. As an observation, the AEC would need resource and legislative flexibility to accommodate these changing community expectations.

4.5. Whether to collocate various AEC offices is not the pivotal issue. The AEC's work to achieve its required outcomes and its responses to community and stakeholder expectations will together suggest the best organisational arrangements for delivering electoral services in different metropolitan, regional and rural locations. Choices of locations of divisional offices give rise to a range of resource and management issues that the AEC is experienced in dealing with. The main need is for flexibility in managing these issues. For example, the distribution and concentration of commercial centres and transport nodes means that collocation can be a viable means of service delivery in metropolitan areas. Client's perceptions of service delivery in regional and rural Australia means that collocations have not, and are unlikely ever, to occur outside metropolitan areas.

4.5. In order to better understand these key issues, and consider them in the context of the terms of reference of the Committee's inquiry, three fundamental questions need to be considered:

- What sort of organisation is the AEC,
- What are the implications for the AEC's staff, and
- What are the implications for the AEC's stakeholders and clients?

² Comprises dead rent and make-good costs, fit-out of new premises, installation of new voice and data communications connections and installation of new IT and office equipment.

What sort of organisation is the AEC

5. Summary: the shape of the AEC

5.1. This section discusses how broad trends in Australian history, the Federal electoral business cycle, needs and priorities of the Federal parliament and government, technological change, and changing community expectations of services have all shaped the AEC as an organisation. This section concludes that what the AEC needs most to respond to the demands being made on it is maximum possible flexibility in a number of areas, for example management of its resources, including deploying staff to ensure that they are optimally located with respect to their work, together with responsiveness to legislative change.

6. How broad trends in Australian history have helped shape our organisation

6.1. Various significant patterns in the evolution of government in the Australian Federation help explain how AEC organisational arrangements have evolved into their current form. The AEC is a decentralised Federal government agency with deep roots into the past. The three-tiered structure of our organisation has its origins in the early 20th century when Australian society was quite different in ways relevant for electoral administration – when transport and communications throughout Australia were quite rudimentary, to name two areas.

6.2. As will be seen below, it is the case that our history has been a source of some important current inflexibilities in our organisational arrangements, while our business is increasingly demanding flexibility of management response – for example, flexibility in employment of ongoing, non-ongoing staff and temporary staff, deployment of our people, and moving work to where our resources are located and, in some cases, fixed in place by virtue of our organisational structure and our past.

6.3. Changes to electoral legislation over the years have led to additional responsibilities for the AEC. Whilst important building blocks of the current Federal electoral system were put in place over the three decades after 1901 (including universal adult suffrage, compulsory enrolment and voting, permanent electoral rolls, introduction of preferential voting), the pace of electoral legislative change picked up considerably from 1983, when a Federal Parliamentary Joint Select Committee on Electoral Reform (now the Joint Standing Committee on Electoral Matters) was set up to consider the need for changes in Australia's Federal electoral legislation and electoral processes. One of the results of the Committee's deliberations was the establishment in 1984 of the AEC as an independent body to administer Australian Federal electoral law. This Committee's recommendations have been key drivers of change in the AEC's responsibilities, processes and procedures ever since.

6.4. Technological change has also impacted on the way we manage our business and our organisation. A permanent electoral roll was established in 1908, and in the 1970s it was migrated from a manual card index system to a mainframe computer. The evolution of mid range and personal computing technology, the development of communications networks across the country and the spread of computing power into small offices made possible changes to the way the AEC processed electoral enrolment applications, maintained roll data and produced roll products. These changes did not, however, lead to any major reconfiguration of the three tiers of the AEC organisation even though roll management is the AEC's largest business.

6.5. The evolution of the Federal system of government in Australia produced something like a standard model Federal government department in which policy, legislation and budget responsibilities gravitated to a government department's national office (most of which are now in Canberra), the local or regional offices of the department performed service delivery roles, and state capital city offices coordinated and monitored service delivery for that State. While there are certain statutory functions performed at state and national levels, this standard model Federal organisational structure was generally adopted by the AEC, and much of it was written

into our electoral legislation (along with sometimes quite detailed descriptions of electoral procedures carried out at each of these levels).

6.6. The AEC operates with a three-tier structure comprised of a national office in Canberra, state offices in each state capital city and Darwin, and divisional offices. Our national office is responsible for policy development, systems and procedures to support the AEC's business, national training programs, corporate support functions, and specialist areas such as international services, funding and disclosure and communications and information strategies. State offices are responsible for coordination and monitoring of service delivery, local training and specific election functions such as Senate elections. Divisional offices are responsible for service delivery in enrolment, conduct of elections and public awareness.

6.7. While there have been significant transfers of responsibility from the AEC's state offices to the national office over time and consequent changes in roles, there has not been a major redefinition of the role of AEC divisional offices. The basic concept of what a divisional office is and does has remained fairly stable since the beginning of the twentieth century, notwithstanding the very substantial changes to technology, infrastructure and Australian society. Given the cumulative impact of these changes, together with changes that will inevitably occur in the future, it is appropriate that the continuing relevance of the divisional office work design be re-examined. The key task of a divisional office has been to run Federal electoral events for that electoral division and carry out work between elections that support that function. Between elections our divisional offices continue to this day to be heavily focused on processing work related to their election function -- that is, predominantly maintenance of the divisional electoral roll -- while our state offices support their divisions in this effort and coordinate this work across the state.

7. How our business shapes our organisation

7.1. The cyclical nature of the key electoral events and uncertain timing of Federal elections create peaks of workload for the AEC, as well as a consequent need for flexibility in managing resources. The exact timing of Federal elections is not known in advance, nor are by-elections able to be predicted. The timing of electoral redistributions is not always predictable, driven as they are by population growth rates. These unpredictable factors have to be built into the AEC's planning and management of its resources and processes.

Cyclical peaks and troughs in work and resourcing needs

7.2. The AEC is unlike many other Federal organisations in so far as it does not have a steady, largely predictable flow of work. Having to meet workload peaks created by elections means it is not possible to cover our staffing needs at all times with permanent staff during the three year election business cycle in which we operate. The election cycle means a major organisational gearing up in terms of staffing for electoral events. A staffing model that was solely aimed at maximizing resources during an election period could result in excessive staff levels during non-election periods. Staffing levels in divisional offices and state offices demands a flexible approach to enable a surge capacity for Federal elections and other between elections business priorities. These priorities include Federal elections, assistance provided in managing state and local government elections, sample audit fieldwork (managing roll validation activities such as door knocking random samples of addresses to check that the residents are correctly enrolled), targeted fieldwork (enrolment promoting door knocking targeted at addresses where we believe people live who need to update their enrolments), fee for service elections (such as ballots to endorse Collective Agreements) and Protected Action Ballots.

7.3. We need to employ and manage large numbers of temporary staff for short or defined periods and then revert to being a smaller organisation after the electoral task they are employed for has been managed. Prior to a Federal election we need to substantially augment our on-going staff with temporary staff to assist managing the election. These temporary staff employed must be trained to perform their allotted election related tasks. Typically this training happens in our divisional offices, where they get hands-on experience before the election with AEC software

applications and electoral procedures, so they are ready for the election period commencing with the issue of the writs. Election day polling place temporaries also need to be trained by AEC staff before the election, which is a significant task for divisional office staff in the run up to the election (mainly the DRO and the APS 3).

7.4. There is a requirement to maintain a core staffing capability to conduct events and manage our on-going (between elections) businesses – which include electoral roll maintenance, industrial and commercial elections work, electoral education including running of the three AEC Electoral Education Centres (in Canberra, Melbourne and Adelaide), and managing our funding and disclosure legislative responsibilities, our registration of political parties responsibilities and provision of international services.

7.5. Electoral cycles do not fit neatly into financial year appropriations, making budgeting and financial management non-standard in comparison to other Federal government agencies. By definition, the large fluctuations in funding needed to manage these events introduces a level of complexity to budget forecasting and financial management.

Our on-going businesses integrated with the electoral cycle

7.6. The AEC has a number of statutory and non-statutory responsibilities that are integrated to varying degrees with the election cycle, or at the very least are significantly affected by the election cycle. These include electoral enrolment promotion services, roll database management, and provision of roll products and services. These businesses are required to enable us or other electoral bodies with whom we have contractual agreements (i.e., state/territory electoral authorities) to run elections, or are needed by stakeholders (e.g., Members of Parliament) who similarly require our products and services to meet their election needs.

AEC responsibility to maintain an accurate and up to date electoral roll on a continuous basis

7.7. Stakeholder demand and related legislative change as well as cost-benefit considerations led the AEC in the 1990s to explore ways of updating the electoral roll on a continuous basis. Prior to the introduction of Continuous Roll Update (CRU) in the AEC in 1999 as the principal method of electoral roll review, this function was performed in biennial habitation roll reviews. Roll management in those days was more cyclical, like the electoral events the roll was designed to support.

7.8. Stakeholder demand was the key driver for exploring ways of updating the electoral roll on a more continuous basis. Members of Parliament wanted to get up to date, accurate information on who was moving into and living in their electorates. State electoral authorities were also keen for the AEC to embrace CRU. During the 1990s there was Federal government concern that the AEC should charge state electoral authorities, under the various joint Federal-State electoral roll arrangements (JRAs) between the Commonwealth and States, something more like the real costs for the AEC's provision of electoral roll data for state and local government elections. Faced with very large increases in costs for joint roll data prepared by the AEC, State electoral authorities wanted assurance they were getting value for their increased JRA payments to the AEC, in terms of up to date roll data. The timing of roll product needs of State electoral authorities for local government elections and by-elections also became less predictable in the wake of the local government rationalization processes that took place in various States in the 1990s.

7.9. Other stakeholders, such as medical research and the not-for-profit sector were also interested in getting access to more up-to-date roll data on an on-going basis for their expanding research needs and client service activities.

CRU and the electoral cycle

7.10. Continuous Roll Update (CRU) is the name given to a range of roll review and enrolment promotion techniques that the AEC uses to maintain the electoral roll in an up to date state. It involves getting access to data from trusted organisations about people experiencing life events of electoral significance (for example, turning 17 and 18 years of age, moving house, and getting

married if that entails a change to family name). The AEC then uses this data to target people it believes need to get on the roll or update their enrolments as a result of these life events. The AEC matches this external data against its roll system to see if these identified citizens are enrolled correctly at their current addresses. The AEC also “mines” the data in its roll system to identify people who may need to update their enrolments – for example, the AEC does enrolment checking mailouts to addresses on our roll system that have been vacant for some time.

7.11. One of the original aspirations for CRU flagged in the report on this matter by the consulting group commissioned by Australian electoral authorities in the early 1990s was reducing the last minute rush by people needing to update their enrolments just before elections. This was a feature of the pre-CRU electoral landscape of the 1990s in the week between issue of the writs and close of rolls. It was also hoped that CRU would help even out the cyclical peaks and troughs of AEC roll management activity between elections, particularly in divisional offices.

7.12. The organisational structure of the AEC influenced the way the AEC implemented CRU. Our national office in Canberra managed accessing data from various Federal and State government bodies and matching this data against the AEC’s roll system to identify those people needing to update their enrolments, while divisional offices progressively took on most of the labour intensive, manual processing tasks that were required to support this process of roll update.

7.13. CRU dramatically changed the work peaks and troughs in the three-year divisional office election cycle. It generated major new on-going processing tasks. The CRU-driven need for the AEC to match its roll data with data from other organisations meant that the quality of AEC roll system address data became critical, as did its capacity to be matched with address data used by agencies from whom we obtained people movement and other electoral life event data. The AEC’s roll system had until this point been more like an electronic list of names able to be computer sorted by electoral areas. An address base had to be grafted onto the AEC roll system and a very significant amount of divisional office time and resources had to be invested in maintaining and improving address data on the roll, to ensure it was able to be matched with life event data from other organisations. The AEC thus became involved in collaborative work with the Public Sector Mapping Authority and other bodies to work towards a national address data set. The AEC had to implement agreed common addressing standards and maintain address data on our roll system in these formats.

7.14. It was the expectation that CRU would meet stakeholder demand and electoral needs for up to date roll products being available on a continuous basis. Unfortunately, what has become apparent in recent times is that the effectiveness of CRU has been declining as the population became less responsive to direct mail, and social changes led to a more mobile population, many of whom would move several times between elections and not understand or care about their need to respond to the AEC’s CRU letters trying to help them update their enrolments. Concerns about privacy and access to roll data has also played a part in the declining effectiveness of CRU.

7.15. Although the AEC discontinued the biennial global habitation review in the late 1990s, we have not abandoned the concept of targeted door knocks as one element of roll review. Roll review door knocks continued to be conducted, in line with Australian National Audit Office and Joint Standing Committee on Electoral Matters (JSCEM) recommendations concerning roll verification by door knock. Door knocking became a targeted activity, rather than global as with the previous biennial habitation review. Similar social trends involved in the declining response rates to CRU mail based roll review have also lessened the effectiveness of door knocking as an enrolment stimulation/roll review activity. People have become resistant to door-to-door business and visitation in general (including Census data gatherers and charitable organisations collecting donations), as their leisure time has become more pressured. There are those targeted for door knock enrolment stimulation from people movement data who have been resistant to

providing/returning completed enrolment applications to the AEC for privacy reasons – they are suspicious that the data might be used in a way that is not to their advantage. Fieldworkers quite regularly return stories about people door knocked to update their enrolment saying that they have deliberately not updated their enrolment and accept the consequences of not being on the roll at election time. Hence, there is a range of reasons why the AEC does not see ongoing universal /global habitation reviews as a solution to roll quality issues.

7.16. Cost effectiveness was another major factor in the decision to move to CRU and away from the global door knock as the key AEC roll review technique. The cost-benefit calculation for habitation reviews had declined to the point that the huge and growing expense could no longer be justified by the one-off boost to the quality of the roll that they brought about. A full habitation review would cost between \$29 million and \$34 million if conducted today. It should also be noted that whilst a full habitation review might give a boost to enrolment and roll accuracy, it starts to become out-of-date from the day it is finished and continues to lose its efficacy with the passage of time.

7.17. The AEC believes the way forward for roll review needs to be multi-faceted. The AEC has recently carried out a review of its implementation of CRU as its key method of roll review and identified a number of ways its performance might be improved. For example, we have identified that various parts of our CRU regime are more cost effective in achieving enrolment updates than others, and we are now considering concentrating resources in these areas.

7.18. We also identified a need to review the way we communicate with our target groups to improve the response rate of returned enrolment applications. For example, it is clear that our current CRU communications with young people could be improved, used as they are to instantaneous electronic means of communication rather than direct mail, which has been the mainstay of our CRU techniques in the past. Within the limitations of the current legislative framework the AEC is moving to use short messaging systems (SMS) on mobile phones to contact electors. We note that the legislation does not allow the AEC to move very far in implementing e-government services on the Internet.

7.19. Many Australians have the view that it is the role of government agencies to target and deliver services that are needed, rather than seeing the onus being on the customer to find the service. Many young people in particular have this view. A response to this mind set would be for the AEC to implement what has been termed “direct enrolment” as one of its CRU techniques (this is discussed below).

Other on-going businesses not integrated into the electoral cycle

7.20. There is a range of other on-going AEC businesses that, unlike electoral enrolment, are not integrated into the three-year election cycle. These businesses have become AEC responsibilities over the years predominantly as a result of legislative change. They include industrial elections, fee for service elections, electoral education and international election services.

7.21. Several of these businesses – for example, Protected Action Ballots and fee for service elections – are either wholly or in part carried out by staff in divisional offices and state offices who have responsibilities tied into the demands of election cycle. Customer demand flowing from industrial election responsibilities is to a large extent unpredictable and can, if it occurs at peak periods of the election cycle, create additional pressures on staff and resources, and hence constitute another major reason why flexibility in this resourcing is essential.

7.22. Amendments to the *Commonwealth Electoral Act* in 1984 added raising electoral public awareness to the AEC’s on-going businesses. The AEC currently runs three Electoral Education Centres that have been staffed mostly by people who are not involved in providing election services. The AEC’s Schools and Community Visits Program is another story. This program, while coordinated from our national office, is delivered on the ground by divisional office staff,

so demands of the election cycle on divisional office staff clearly impact on their capacity to deliver Schools and Community Visits Program services.

7.23. The AEC's International Services section provides electoral authorities in developing countries with capacity building assistance and other forms of help, at the request of the Australian Government. Specialist staff in our National Office who do not have Federal election responsibilities provide most of these services. Secondees who can be spared from their normal duties within the AEC in non-election periods augment this.

The decentralised nature of our organisation has also impacted on our business

7.24. The above discussion has focused on how our business, and particularly the cyclical nature of that business, impacts on the organisation. We have also seen in this discussion that the reverse has also occurred – namely, that the decentralised nature of our organisation has had important impacts on our business and our management of our work and people/resources. The way we implemented CRU was influenced by our decentralised structure. We chose to locate manual processing involved in implementing CRU in our divisional offices, rather than regionalize/or centralize data checking and data entry. Because the divisional offices were there it made sense to use their local knowledge concerning addresses, localities and population growth areas.

7.25. The historical nature of the three-tiered national/state/divisional office structure has been a source of various inflexibilities that have complicated our organisational response to managing the cyclical nature of our business. The availability of staff and the range of their skills have been important factors influencing the management of our business, especially in some more remote parts of the country. The fact that processing work came to predominate in our divisional offices has guided our recruitment at our grass roots level. Temporary staff who have proved to be good processing workers have been recruited to become on-going APS2s and APS3s in our divisional offices, and sometimes then promoted to be DROs.

7.26. Comparison has been made between Federal Members' offices and the AEC's divisional offices. While it is true that they are similar in so far as many are located in suburban business areas and country service centers, the nature of the work that occurs in Members' and AEC divisional offices is quite different. Our divisional offices are focused on processing tasks associated with enrolment, elections and public awareness.

8. How the needs and priorities of Parliament and Government impact on our organisation

8.1. The most obvious way in which the needs and priorities of government impact on the AEC is in the timing of Federal elections and referendums. Our legislation sets out broad timelines in which House of Representative and half Senate elections can take place, while the Governor General, on the advice of the Prime Minister of the day, specifies dates for Federal elections within those broad timelines. This window of opportunity for the calling of elections requires flexibility on the part of the AEC in managing and resourcing these events.

8.2. The typical three-year election cycle also determines the timetable for the Parliamentary oversight of the AEC, which has a major impact on how we manage our business. JSCEM inquiries into the conduct of each Federal election and the Committee's resulting recommendations for change in electoral processes, as well as one-off references of issues by the Special Minister of State to the JSCEM for investigation, together with Government responses to same, are major determinants of change in electoral processes and impact directly on AEC administration. Government policy on electoral matters is the other key political determinant of change in electoral administration. Since 1983 when the JSCEM's predecessor, the Joint Selection Committee on Electoral Reform, was established the pace of change in electoral processes has increased noticeably.

8.3. Another way in which the needs and priorities of government impact on the AEC is the demand placed on all Federal agencies for continuing increase of efficiency in use of resources

to deliver services. An example is the resourcing review undertaken by Finance and the AEC in 2003 and is discussed in **Appendix A** below.

8.4. The resourcing review included a discussion of possible uses of new technology to improve work practices. One possibility canvassed was to reengineer electoral enrolment processing using optical character recognition technology and extract an efficiency dividend through rationalization of state and divisional offices. Such changes were clearly not acceptable to stakeholders and arguably would not have left the AEC divisional organisation structure in good shape to manage Federal elections.

9. How changing community expectations and technological change impact on our organisation

9.1. As more and more consumers in Australian society have improved their material circumstances they have become increasingly time poor, which in turn has stimulated their demand for convenient, easily accessible, affordable services from business. Community expectations of most government services have grown in response to these same factors extrinsic to the Federal electoral system. In general, there has been a carry over in expectations of convenient customer services consumers now demanded from business to the services provided by government. Community expectations for easily accessible, convenient, online and phone based services have also impacted on the AEC. These demands take the form of expectations for convenient ways to vote in elections and get on the electoral roll. The enormous growth of customer demand for pre-poll and postal voting at recent Federal elections demonstrates these trends. Pre-poll votes have increased at each election over the last ten years from 378,000 in 1993 to 754,000 in 2004, while postal votes have grown over the same period from 362,000 in 1993 to 774,000 in 2004. The proportion of electors voting by pre-poll and postal voting has also increased dramatically, from 6.8% of all votes in 1993 to 12.3% in 2004.

9.2. Similar sociological trends underpin the growing demand for convenient on-line electoral enrolment and on-line voting. As one would expect, the age cohort in Australian society that has grown up in the age of on-line services, those aged less than 25 years, has the strongest expectation that convenient electoral e-services will be provided by the AEC. Importantly also, they have the view that government, like business, will identify and provide the services they need without the customer necessarily having to initiate the request for that service. This expectation is built into contemporary marketing practices and sale of consumer goods, and young people naturally expect the same of government services. The Australian Taxation Office and Australian Bureau of Statistics have tried to respond to these spreading expectations in Australian society by providing on-line portals where people can access their services and enable them to complete their transactions with government with the minimum of effort and in the minimum amount of time, "24/7". Current AEC CRU services try to assist people who we think need to enrol or update their enrolments. These AEC services do not go as far as many people want in embracing the concept that it should be the AEC's responsibility to identify those individuals and minimize their expenditure of time and effort in completing an electoral transaction.

9.3. The concept of direct enrolment is a response to this type of demand. The concept originated in Canada in the late 1990s, while a couple of Australian state electoral authorities are now showing interest in it. It involves electoral authorities using information in the possession of trusted authorities (usually government agencies) about the current addresses of people entitled to be on the electoral roll to automatically enrol these people or update their enrolments with their current addresses. The concept in practice shifts the onus of responsibility currently on the citizen to get on the roll, to the electoral authority. Much discussion of this type of enrolment service is now certain to take place amongst Australian electoral authorities and their stakeholders.

9.4. As we have discussed in this paper, technological change has important implications for organisational arrangements of business and government agencies alike. A major conundrum for

the AEC is that the desirability of implementing technologies aimed at improving both efficiency and services can be undermined by the costs of rolling out these technologies across our decentralised organisation, which contains a number of important structural inflexibilities. Inflexibilities in our current electoral legislation are another significant issue. The *Commonwealth Electoral Act* has written into law particular technologies that are becoming outmoded. For example, our legislation stipulates that the authentication required for enrolment applications will be a hand written signature.³ On-line enrolment would require an electronic mode of authentication, such as use of digital certificates. What the AEC needs is more flexibility on a number of fronts, including our legislation and resourcing.

Implications for the AEC's staff

10. Summary: AEC's staff

10.1. This section examines the implications for divisional staff arising from the divisional office structure and staffing profile. It provides workforce data about divisional office staff and discusses the implications for divisional staff of issues such as people management, employment opportunities, learning and development, and occupational health and safety. For background on resourcing levels, please refer to the history of the 2002-03 resourcing review in **Appendix A**.

10.2. The section also discusses the steps the AEC is taking to introduce greater capacity in its workforce by developing and implementing longer-term strategies in workforce planning, organisational development and performance management. By building greater flexibility in managing our workforce, the AEC will continue to improve performance and deliver quality electoral services.

11. Divisional office staffing profile

11.1. Divisional offices have a staffing profile of 3.2 full time equivalent staff (FTE) consisting of up to three ongoing staff supplemented as required by non-ongoing and temporary employees. A typical divisional office staffing model comprises an APS6 (Divisional Returning Officer or DRO), an APS3 (Divisional Clerk) and an APS2.

11.2. There are 150 divisional offices in 135 locations. Staff in divisional offices form the most significant portion of the AEC's workforce. At 30 June 2006, there were 794 staff (717 ongoing and 77 non ongoing) employed by the AEC. Of these, 440 or 55.4% were employed in divisional offices. Table 2 shows the number, classification and distribution of divisional office staff at 30 June 2006.

Table 2: Divisional office staff (ongoing & non ongoing) – head count at 30 June 2006 (i)

State (ii)	Number Divisions (iii)	APS6	APS5	APS4	APS3	APS2	Total Staff
NSW/ACT	52	54	0	0	42	50	146
VIC	37	41	0	0	22	47	110
QLD	28	25	2	2	23	31	83
WA	15	13	4	1	11	20	49
SA	11	16	0	0	9	11	36
TAS	5	6	0	1	5	4	16
Total	148 (iv)	155	6	4	112	163	440

Notes to Table 2:

- i. The number of staff is a "head count" and so includes staff on leave.

³ Section 98 (2) *Commonwealth Electoral Act 1918*.

- ii. Does not include the Northern Territory, as the amalgamated structure does not make it possible to readily distinguish divisional office staff. NSW figures include the Divisions of Canberra and Fraser in the ACT, as the NSW State Manager also administers the ACT.
- iii. Prior to redistribution in December 2006.
- iv. Excludes Lingiari and Solomon in the Northern Territory.

11.3. The divisional office workforce has a high proportion of female employees. At 30 June 2006, 65% of divisional office staff are women, compared to the entire Australian Public Service (APS) workforce with 55.8%⁴. Women are, however, more highly represented in lower work classifications and amongst non-ongoing staff. In divisional offices, 87.7% of APS2 staff are women while only 39.6% of APS6 staff are women. This compares unfavourably with APS wide figures for the same period, where 62.6% of APS1-2 staff and 53.1% of APS5-6 staff are women⁵. In divisional offices, female employees represent 94.3% of all non-ongoing staff. Table 3 shows the gender and employment status of divisional office staff.

Table 3: Divisional office staff by gender as at 30 June 2006

State (i)	Male			Female			Total Staff
	Ongoing	Non Ongoing	Total	Ongoing	Non Ongoing	Total	
NSW/ACT	47	1	48	90	8	98	146
VIC	40	0	40	67	3	70	110
QLD	29	1	30	44	9	53	83
WA	16	0	16	27	6	33	49
SA	11	0	11	19	6	25	36
TAS	6	0	6	9	1	10	16
Total	149	2	151	256	33	289	440

Note to Table 3:

- i. Does not include the Northern Territory, as the amalgamated structure does not make it possible to readily distinguish divisional office staff. NSW figures include the Divisions of Canberra and Fraser in the ACT, as the NSW State Manager also administers the ACT.

11.4. The AEC has the oldest workforce in the APS with 65.9% of its employees aged 45 and over⁶. This age distribution is concentrated in divisional offices, with 73.6% of ongoing divisional office staff aged 45 and over. The average age for divisional office staff is 48 years, ranging from 43 years in Tasmania to almost 50 years in NSW. Table 4 shows the age cohort and average age of divisional office staff by State.

⁴ Australian Public Service Commission, "State of the Service Report 2005-06", p86.

⁵ Australian Public Service Commission, "State of the Service Report 2005-06", p89.

⁶ Australian Public Service Commission, "State of the Service Report 2005-06", p23.

Table 4: Divisional office ongoing staff age at 30 June 2006

State (i)	25 – 34	35 – 44	45 – 54	55+	Total Staff	Average Age
NSW/ACT	7	23	69	38	137	49.97
VIC	5	22	49	31	107	49.85
QLD	8	14	30	21	73	48.23
WA	1	13	21	8	43	48.51
SA	3	2	20	5	30	48.67
TAS	1	8	5	1	15	43.27
Total	25	82	194	104	405	48.08

Note to Table 4:

- i. Does not include the Northern Territory, as the amalgamated structure does not make it possible to readily distinguish divisional office staff. NSW figures include the Divisions of Canberra and Fraser in the ACT, as the NSW State Manager also administers the ACT.

11.5. The median age for the AEC is 49, ranging from 51 in Victoria to 43 in the Northern Territory (these figures include ongoing staff in State Offices and National Office as well as divisional offices). This is significantly higher than the APS median age of 42. Average and median ages confirm that the AEC has an ageing workforce.

11.6. We would expect that with an aging workforce the greater number of separations would be in the 50+ cohort, as staff retire after 55, or where they are members of the Commonwealth Superannuation Scheme, resign in their 54th year in order to take advantage of the generous “resign and preserve benefit” provisions of this scheme. While this is generally true of divisional office staff, it is of concern that 47.4% of separations by divisional office staff in 2005-06 were by employees aged less than 50 years. This suggests that there are retention issues for the AEC in divisional offices, and these are discussed further below in subsection 5.2. Table 5 shows the number and age cohort of separations from divisional offices.

Table 5: Divisional office ongoing staff separations – 2005-2006

State (i)	20 - 24	25- 29	30 - 34	35 - 39	40 - 44	45 - 49	50 – 54	55 - 59	60+	Total Staff	Total >50
NSW/ACT	1	0	1	2	0	1	0	1	1	7	5
VIC	0	0	3	0	1	1	8	1	0	15	5
QLD	0	0	1	1	2	0	2	0	0	6	4
WA	0	0	0	0	1	1	2	0	0	4	2
SA	0	0	0	0	1	1	1	1	0	4	2
TAS	0	0	0	0	0	0	1	2	0	3	0
Total	1	0	5	3	5	4	14	5	1	38	18

Note to Table 5:

- i. Does not include the Northern Territory, as the amalgamated structure does not make it possible to readily distinguish divisional office staff. NSW figures include the Divisions of Canberra and Fraser in the ACT, as the NSW State Manager also administers the ACT.

12. Issues for the AEC

12.1. The dispersed AEC divisional office network creates a number of challenges in workforce management.

12.2. External applicants with greater management experience gained in other government agencies or the private sector are frequently assessed as more meritorious for appointment to DRO positions due to their comparatively broader skill set than other junior staff in the divisional office. Limited opportunities for advancement within the divisional office structure can significantly affect the morale of experienced Divisional Clerks passed over for promotion.

12.3. There is a history of very long tenure in the AEC for divisional office staff. As at 30 June 2006, 38.4% of all divisional office staff had worked continuously with the AEC for 10 or more years. This longevity of tenure becomes even more pronounced when we consider that 29.8% of all divisional office staff had worked continuously with the AEC for 15 or more years.

12.4. There are various reasons for this longevity of tenure, but all of them can impact directly on the three-person staffing structure of divisional offices. For example, DROs may make life-style choices about the locations where they wish to work, such as offices that are close to home, and then see out their public service career in that divisional office. APS2 and APS3 staff must then either seek promotion opportunities at other locations in the AEC or outside the AEC. If APS2 and APS3 staff are also reluctant to leave a divisional office where there is a long-term DRO, there will be little opportunity for promotion within the AEC. This situation can be compounded in country towns where there may be a lack of alternate public service employment opportunities.

12.5. Limited opportunities for advancement within the divisional office structure, and limited opportunities for employment outside the AEC in some localities, means that many employees at the APS2 and APS3 levels have no alternative but to remain in these positions. This is beneficial for the AEC in that there is a significant “hands-on” experience and retention of knowledge in these roles. It can, however, also lead to job fatigue and create difficulties for the AEC in implementing organisational and procedural change. It can be argued that the long tenure of some divisional staff also negatively impacts the AEC’s ability to maintain a pool of trained and experienced people to call on for temporary employment or to recruit into the lower level positions, as potential employees recognise the limited opportunities for recruitment and career progression within their home locality.

12.6. Another consequence of longevity of tenure is the tendency for a significant number of staff to reach retirement age all at once and leave the agency at the same time. This is clearly not in the best interests of the AEC and the provision of quality electoral services. Where this occurs at the DRO level (as has happened across the AEC since the 2004 election) it can lead to a significant loss of job knowledge at a critical management level in the agency. This issue is exacerbated by the largely inexperienced replacement DROs being isolated from their managers and experienced peers in a widely dispersed network.

12.6. There is an increasing number of separations from the AEC’s divisional offices by staff under 50. In part this may be attributed to limited opportunity for advancement within the divisional office structure. Another contributing factor is the work expectations of the next generation of employees, who are not necessarily content to remain in the one agency, or at the one location, or at the one classification level, for extended periods of time. Either way, this increasing short tenure will have a significant affect on the AEC. Whereas once the AEC could rely on a stable workforce and long tenure as part of its knowledge management, this is no longer the case.

12.7. High usage of non-ongoing employees will also contribute to an increased turnover, with consequent implications for knowledge management, succession planning and training. As many of the non-ongoing staff employed by the AEC are returning staff, the implications may not as great as if all staff were new to the AEC. Nevertheless, the use of staff who have no

security of tenure with the AEC may reduce the intellectual capital and shared learning capacity of the AEC.

12.8. A dispersed network of small offices provides many challenges in the effective delivery of learning and development programs. While the AEC makes use of mechanisms such as training manuals and e-learning modules, there is limited opportunity to implement effective coaching or mentoring programs. One-on-one training for new employees will often, by necessity, be delivered by only one other person. This can result in poor practices being passed on without question or challenge. Employees are rarely able to attend formal training programs within their own locality because of the small numbers involved but the cost and time associated with travel to State Offices for training impacts on the number of courses that individual employees can access.

12.9. As in any similar organisation, the small, isolated divisional office structure can exacerbate people management issues. Interpersonal conflict between team members or unacceptable human resource management practices within an office can go unnoticed until the situation escalates into a serious matter and is drawn to senior management attention. By this time, the opportunity for early, effective intervention may have been lost and a solution may not be possible.

12.10. The divisional office structure, with only three ongoing positions in each office, also creates problems for people management arising from staff absences. Each staff member is entitled to 20 days annual leave. In addition, each staff member has access to personal leave, which accrues at the rate of 18 days per year⁷. Use of personal leave is usually taken in recognition of circumstances that can generally arise irregularly or unexpectedly, making it difficult to plan, approve or budget for in advance. In this it differs from annual leave, which is usually planned and must have prior approval, and staff absences on personal leave are therefore known as “unscheduled leave”.

12.11. Table 6 shows the unscheduled absences by divisional office staff in 2005-06. The average number of days per FTE was 13.42.

Table 6: Divisional office staff unscheduled absences – 2005-2006

State (i)	Number of days	Average No of days per FTE (ii)
NSW/ACT	1864.04	13.41
VIC	1542.21	15.91
QLD	1227.18	14.85
WA	419.24	9.64
SA	374.89	10.92
TAS	108.47	6.69
Total	5536.03	13.42

Note to Table 6:

- i. Does not include the Northern Territory, as the amalgamated structure does not make it possible to readily distinguish divisional office staff. NSW figures include the Divisions of Canberra and Fraser in the ACT, as the NSW State Manager also administers the ACT.
- ii. Average number of days per FTE is calculated by dividing the total number of unplanned leave days by the average number of full-time equivalents for the reporting period for each State.

⁷ AEC Collective Agreement 2007-10, pp 15-18.

12.12. This means that if each staff member in a divisional office took their full entitlement of 20 days annual leave in a calendar year, together with the average number of unscheduled absences, there would be 100 days out of a possible 250 working days where the divisional office could be staffed with only two officers. As in fact many of these absences overlap, there are in fact instances where offices are reduced to one staff member. Quite apart from the impact on work, this has a serious impact on occupational health and safety. A common solution, when the staff at a divisional office drops to one, is for that office to be closed to the public. Table 7 shows the number of days divisional offices were closed in 2005-06 as a result of the number of staff at the office dropping to one or none.⁸

Table 7: Divisional closures – 2005-2006

State (i)	Number Divisions (ii)	Number of days
NSW/ACT	52	150
VIC	37	70
QLD	28	55
WA	15	0
SA	11	12
TAS	5	0
Total	148 (iii)	287

Notes to Table 7:

- i. Does not include the Northern Territory, as the amalgamated structure does not make it possible to readily distinguish divisional office staff. NSW figures include the Divisions of Canberra and Fraser in the ACT, as the NSW State Manager also administers the ACT.
- ii. At 30 June 2006 there were 50 divisions in NSW and 2 in the ACT.
- iii. Excludes Lingiari and Solomon in the Northern Territory.

12.13. This also highlights another significant socio-economic issue that impacts on the dispersed divisional office network – crime. A number of divisional offices are located in areas where, for a number of socio-economic reasons, there is a high degree of crime, often of an apparently random nature. Some divisional offices in major cities are sometimes closed to the public because of the safety risk to staff because there is only one staff member available.

13. Responses to the issues

13.1. The AEC has implemented a number of responses to the issues identified above. People management and individual performance and development issues are responded to on a regular basis through the development and implementation of the AEC’s people management and learning and development policies. The AEC is also developing and implementing longer-term strategies in workforce planning, organisational development and performance management, examples of which are discussed below.

13.2. A limited number of collocations, detailed in Table 1 above have undoubtedly contributed to the AEC’s ability to improve recruitment and retention, knowledge management and succession planning, training and development, and people management at these sites. Potential collocations must, however, be carefully selected on the basis of a community of interest. Collocation won’t always provide feasible solutions for the issues identified above, and in regional and rural Australia cannot provide the level of service necessary for the AEC’s stakeholders and clients.

⁸ Only includes full days where Divisional offices were closed. Table does not include days where offices were closed for part-day periods – for example, for periods between 12 noon and 2:00pm while staff in short-staffed offices took lunch.

13.3. In 2006-07, the AEC has implemented a staffing model of an average of 3.2 FTE per divisional office. Due to the limitations of the funding for divisional office staff provided under the resourcing model (see **Appendix A** below), this actually equates to 2.6 FTE for ongoing and non-ongoing staff, supplemented with a further 0.6 FTE of temporary employees. After allowing 0.3 FTE to cover backfilling for staff taking various forms of leave, average staffing per divisional office is in effect 2.9 FTE.

13.4. The 3.2 FTE average staffing model enables all divisions to engage temporary employees, in order to build up the pool of experienced temporary staff who can be called upon during an election, when the workload expands significantly for a short period. Variable workloads between divisions had previously meant that high workload divisions (those divisions with a high turnover in enrolment or highly complex enrolment due to factors such as the cultural and linguistic diversity of the population or rural addresses) had first call on funds for temporary employees. Divisions with a low workload were unable to justify engaging temporary employees, and so were unable to provide divisional office work experience in advance of an election.

13.5. The concomitant arrangement for the 3.2 FTE average staffing model is workload sharing. The enrolment processing workload for divisions with high volume or complex enrolment is shared with low workload divisions, in order to evenly distribute the workload. To support this process, the AEC has introduced a number of performance reporting tools to assist divisional staff and their managers to better understand to use of resources in processing enrolment.

13.6. The AEC has also invested heavily in the leadership development of DROs, and in particular the leadership skills and capabilities necessary to operate effectively in a distributed network. A leadership development program, involving all DROs, was run throughout 2006. The program focussed on the APS and AEC environment, management expectations of a DRO, leadership of a small team, efficient people and resource management, and relationships with stakeholders. A major focus was the leadership challenges prior to, during and post an election period. The program also provided training and support for staff to work in virtual teams, as a new approach for project delivery and transfer of knowledge in a distributed network.

13.7. Since the 2004 Election, the AEC has recruited approximately 50 new people to the role of DRO, in the main replacing staff who retired due to age. The leadership development program provided an opportunity for integrating new DROs into established networks, as well as sharing information and experiences with their more experienced peers. The leadership development program culminated with a national conference in May 2007, which, for the first time in the history of the AEC and its predecessor organisations, brought together all DROs and their managers in the lead up to a federal election.

13.8. The AEC has identified a range of skills that it requires for DROs and their managers in order to improve the effectiveness of the divisional office network. These include project management, presentation and stakeholder management skills. In addition, relevant new skills have been identified for support staff in National Office and state offices, such as analytical, evaluation and legal skills. The AEC is implementing a range of strategies to acquire these skills, including training of existing staff and placing emphasis in recruitment on the identified skill sets.

13.9. The AEC's Corporate Plan identifies a range of strategies that target capability development in areas such as internal and external communications, information technology, leadership and staff development, and cultural change. By building capacity in these areas, the AEC will continue to improve performance and deliver quality electoral services. The Corporate Plan 2007-08 is provided as an attachment to this submission.

Implications for the AEC's stakeholders and clients

14 Summary: stakeholders and clients

14.1. This section examines the implications for the AEC's stakeholders and clients arising from the AEC's structure, including the divisional office network. The key stakeholders for the AEC are Government and the Minister, Parliament, political parties and candidates, State electoral authorities, the media, and electors. In its relationships with stakeholders the AEC has a responsibility to demonstrate at all times its neutrality and conduct its business with fairness and impartiality.

14.2. The section discusses the flexibility necessary in order to determine the most suitable business locations in order to deliver effective electoral services and meet client and stakeholder expectations in different metropolitan, regional and rural locations, and provides practical examples arising from the 2006 redistribution in New South Wales.

15. Government and Parliament

15.1. The AEC is funded by the Government to deliver three outcomes for the Australian community: an effective electoral roll, an impartial and independent electoral service, and an informed community. The AEC provides technical advice to the Government on electoral policy and legislative, drafts responses to Parliamentary questions on electoral matters, and briefs the Minister on matters relating to the delivery of its outcomes.

15.2. Along with other agencies, the AEC provides information on the delivery of its outcomes to Parliamentary Committees and Senate estimates. The AEC also provides information on electoral matters directly to Parliament, usually through submissions to the Joint Standing Committee on Electoral Matters.

15.3. The Electoral Commissioner is the chief executive officer of the AEC and has the powers of the head of Commonwealth agency under the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*. The Electoral Commissioner is responsible for the provision of all information by the AEC to Government, the Minister and Parliament.

15.4. The AEC engages directly with Senators and Members of Parliament in a number of ways. Given that Senators and Members are a significant conduit for information from electors, the State Manager and the DRO will seek feedback on service delivery in electoral administration. The DRO will, for example, consult with the local Member on proposals for opening new polling places or closing existing ones.

15.5. The AEC also provides Senators and Members of Parliament with electoral roll data, including regular updates on changes to the electoral roll. These roll products are supplied directly from the AEC's National Office and do not require any interaction between Senators and Members and the divisional office network.

16. Political parties and candidates

16.1. Much of the interaction between political parties and the AEC, and arguably all of the interaction between candidates and the AEC, takes place in the context of federal elections.

16.2. A critical interaction between political parties and candidates and the AEC at elections is nomination as a candidate for election to the Senate or the House of Representatives. Nominations can only be made once the writ has been issued for an election and before the date and time specified in the writ for the close of nominations.

16.3. Nominations for the Senate are made to the State Manager, in their role as Australian Electoral Officer (AEO), for each State and Territory. The AEO is based in the AEC's state office, in each state capital city and Darwin, and the process of nomination for the Senate usually requires little if any interaction between candidates and the divisional office network.

16.4. Nominations for the House of Representatives are made to the DRO. Since amendments were made to the Act in 1984, bulk nominations for all the divisions being contested in a State or

Territory by a registered political party can be lodged with the relevant AEO by the registered officer of the political party. This has increasingly become the method for nomination used by major political parties. At the 2004 federal election, there were 1,091 nominations for the House of Representatives across Australia, of which 879 (or 80.6%) were made by bulk nomination. This included the overwhelming majority of candidates from the Australian Democrats, ALP, the Greens, the Liberal Party and the Nationals⁹. The process for nomination for the House of Representatives by candidates for major political parties is increasingly involving a reduced interaction between candidates and the divisional office network.

16.5. The draw for positions on the Senate ballot paper and the declaration of the poll for the Senate election is undertaken by the AEO, usually in the state office. The draw for positions on the House of Representatives ballot paper and the declaration of the poll for the House of Representatives election is undertaken by the DRO, usually in the divisional office.

16.6. AEC staff based in state offices usually undertake briefings for candidates during the election, and National Office and state offices are the main sources for information for political parties during the election period. Complaints and allegations of breaches of the Act might be received in state offices and divisional offices, but are referred to National Office for investigation and resolution.

16.7. Between elections the AEC undertakes regular briefings of major political parties. The Electoral Commissioner undertakes briefings of national secretariats while state secretariats are briefed by State Managers.

17. State electoral authorities

17.1. State electoral authorities receive a range of electoral products and services from the AEC under heads of government agreements between the Commonwealth and States. These agreements set out various terms and conditions for the supply of these services by the AEC, as well as the specific products and services that will be provided. These formal agreements, together with the Electoral Council of Australia (a creation of cooperative Federalism, comprised of the chief executives of Australian electoral authorities) provide the framework for business and collaborative relationships between the AEC and state electoral authorities. Within this framework the AEC provides assistance to state electoral authorities with state and local government elections, and collaborates with electoral education activities. The state electoral authorities reciprocate by providing support services to the AEC at Federal elections, and a variety of other services to assist the AEC carry out its responsibility to maintain the electoral roll for all three tiers of government (for use at Federal, State and local government elections).

17.2. The AEC's state offices and National Office have the closest relationships with state electoral authorities. National Office provides a range of data and roll product services to the state electoral authorities. The state offices collaborate with the state electoral authorities in enrolment promotion and roll review activities, and liaise with the state electoral authorities to ensure that the latter's enrolment and roll data requirements under the joint roll agreements are met. State offices and divisional offices provide the AEC's state and local government support services to the state electoral authorities.

17.3. At times in the recent past state electoral authorities have expressed the view that the inflexibilities involved in the AEC's three-tiered organisational structure have caused them some frustration. Key differences of view have crystallized around perceived inflexibilities of the stand-alone divisional offices and the view of some state electoral authorities that they do not want to subsidize what they believe is not the most efficient organisational arrangement to deliver the AEC services they require.

⁹ The exceptions were the Australian Democrats who did not use bulk nominations in the Northern Territory; the ALP who did not use bulk nominations in the ACT and the Northern Territory; the Greens who did not use bulk nominations in the ACT and NSW; and the Nationals who did not use bulk nominations in South Australia and Western Australia.

17.4. The cyclical nature of the AEC's business has an impact on the state electoral authorities as consumers of AEC services. State election cycles also impact on the services and support the state electoral authorities want from the AEC. One of the most important impacts of the Federal election cycle on AEC support to state electoral authorities has been on the provision of AEC staff to perform the role of returning officers to help run state elections. Twenty years ago it was common for the AEC's DROs to perform this function. After some clashes between Federal and state election timetables, state electoral authorities have typically looked elsewhere for these staff. There is a lot of overlap, however, between the temporary staff employed by state electoral authorities and the AEC to run polling places and perform other election tasks.

17.5. AEC electoral practices and procedures have also impacted on state electoral authorities regarding the services expected of them by their stakeholders and electors. AEC practices and choices – for example, regarding location of polling places and procedures for conducting elections, like managing scrutines – significantly influence expectations of state electoral authorities of services.

17.6. Technological and associated social change has influenced SEA expectations of AEC services. Elector and stakeholder demand for on-line electoral roll checking services and other convenient electoral services has impacted on state electoral authorities. The AEC now provides the state electoral authorities with on-line access to the joint electoral roll, which it maintains under the joint roll agreements mentioned above. In general, Australian electoral authorities could be said to have been slow adopters of new technologies both in terms of their business processes (like roll database management) and services they provide. Cost is a major consideration here for a small public sector industry, but political stakeholder buy-in on these matters is also an extremely important factor.

18. Media

18.1. The key services the media require from the AEC are timely responses to requests for information, and accurate electoral data to assist with election news coverage. National Office and state offices provide most of these services. Some divisional offices, particularly in country areas, do however interact with the local media at election time.

18.2. Between elections media interest can include the AEC's responsibilities regarding political party funding and disclosure, however it is fair to say that most media demand for AEC services is in the lead up to, during and immediately after Federal elections. The AEC provides the media with result data on election night and the days following the election, while a range of background information is also provided by the AEC to assist the media with its election coverage. This is also the main time media requests for AEC officers would receive interviews. The election cycle in general, therefore, determines the timing of the heaviest media demand for AEC services.

19. Electors

19.1. The main services Australian citizens expect from the AEC are electoral enrolment and voting services for Federal elections. Divisional Offices spend a higher proportion of their time than the other tiers of the AEC organisation in the delivery of enrolment services, and the processing of enrolment transactions generated by people wanting to get on the electoral roll or change their address or other details on the roll. There is also a range of special enrolment services the AEC provides to eligible electors. These include applying for itinerant enrolment status where the elector has no permanent residential address, enrolling from overseas, maintaining one's enrolment whilst overseas, silent enrolment status (silent electors' addresses are not included in publicly available roll products), and being registered as a General Postal Voter (they automatically receive ballot papers posted to them at election times). Application forms for each of these enrolment transactions are processed in divisional offices. State offices also have a role in approving and checking some of these special category enrolment transactions. In general, National Office manages policy and legislative aspects of enrolment services, and higher order roll database and systems functions.

19.2. In order to vote in Federal elections and referendums, eligible citizens (over 18 years of age) have to be on the electoral roll. By virtue of the various joint roll agreements mentioned above, the AEC provides a one-stop-shop for electoral enrolment, which also entitles enrollees to vote in State and local government elections around Australia.

19.3. AEC voting services for Federal elections include:

- enabling enrolled citizens to vote at polling places located around the country on election day,
- providing the opportunity for those not able to vote on election day to vote at a pre-poll voting centre or to vote by post, and
- electronic voting services for vision impaired enrollees and Defence force personnel serving overseas, and voting by fax for electors serving in Australia's Antarctic bases.

19.4. All three tiers of the AEC's organisation are heavily involved in different aspects of providing voting services to the public. Again, as with the AEC's enrolment services, National Office looks after policy, legislative and systems aspects of voting services, while divisional offices, supported by state offices, organise and provide voting services during the election period and its immediate aftermath. Following the election, all tiers of the AEC organisation are involved in the getting out the results of the poll. Divisional offices and state offices are involved in counting the votes, while National Office provides the results through the tally room on election night, direct to the media and the political parties, and through the AEC's website.

19.5. As discussed above, the AEC invests considerable resources in providing people with the capacity to enrol and information to assist people enrol and update their enrolments, and attempts to target this assistance at the times they become legally entitled and obliged to do so. It appears likely, however, that an imminent election is a powerful motivator for citizens to get on the roll or change their enrolled address or other details, so they can vote for candidates to represent them in Federal Parliament for the electoral divisions and states where they currently live.

19.6. The AEC also provides a range of electoral education services to assist people improve their understanding of their electoral entitlements and obligations, and to encourage them to exercise their electoral rights to enrol and vote. The AEC runs two programs to promote such improved electoral knowledge, namely, through visits by AEC staff to schools and community groups around the country, and through the AEC's Electoral Education Centres in Canberra, Melbourne and Adelaide.

19.7. Technological and associated social changes certainly have impacted on electors' expectations of AEC services. As discussed above, there is a clear demand for more convenient enrolment and voting services. This demand is manifest in the extremely rapid growth of postal and pre-poll voting in recent Federal elections, as well as expectations expressed in many parts of the population for electronic electoral services.

20. Drivers for shared premises

20.1. The implications for the AEC's stakeholders is one of the most important considerations when the AEC is investigating a possible collocation. A key driver is the availability of suitable accommodation at locations that are relevant for members of the public. Consideration will also be given to any savings on property and technology infrastructure costs, but these are usually small unless the location is a high rent district such as the CBD of a capital city.

20.2. The question of possible locations often arises after redistributions when divisional boundaries may be redrawn. It should be noted, however, that redistributions do not automatically result in collocations for all affected divisions. A useful illustration is the arrangements for divisional offices after the recent redistribution in New South Wales and the reasons put forward to the Minister for the collocation of the divisional offices for Fowler and Prospect and the divisional offices for Banks and Blaxland.

20.3. After the redistribution in 2006 in New South Wales, a number of divisions were left with no divisional offices, and others with two divisional offices, as a result of the redrawn boundaries. In only two cases did this result in proposals for collocation.

20.4. The Division of Chifley had two divisional offices located within its divisional boundaries, one at Mt Druitt and one at Blacktown. The Mt Druitt office has been closed, as Blacktown is the larger commercial centre with good public transport access.

20.5. The divisional office at Blacktown is the 'old' Division of Greenway office (now no longer within the new Greenway boundaries). The 'old' Division of Macquarie office at Richmond is now within the new Greenway boundaries, and the divisional office for Greenway is now based in Richmond. As there was no existing office located within the new divisional boundaries for Macquarie, a new office is being established at Springwood within the new divisional boundaries.

20.6. The Division of Parkes also had two divisional offices located within its divisional boundaries, one at Dubbo (the existing Parkes office) and one at Narrabri (the 'old' Division of Gwydir office, Gwydir being the division abolished at the redistribution). The Narrabri office has been closed and the divisional office retained at Dubbo, as Dubbo is the major commercial and transport hub within the division.

20.7. The Division of Hughes was left with two divisional offices located within its divisional boundaries, one at Sutherland (the existing Hughes office) and one at Liverpool (the 'old' Division of Fowler office). No previously existing office was located within the new divisional boundaries for Fowler. It was decided that the Hughes divisional office would remain in its current premises in Sutherland, but a new location would be required for the Fowler office.

20.8. This became problematic, as there is no major commercial centre within the new boundaries of the division of Fowler. The two closest large commercial centres are Fairfield and Liverpool. The greater proportion of Fowler electors would go to Fairfield or Penrith for their shopping and business needs, with a somewhat lesser proportion using Liverpool. Fairfield is one of Sydney's top ten major commercial centres, and is located about 3.2kms from the 'new' Fowler boundary. It was determined that the best solution was for the Fowler divisional office to share premises with the Prospect divisional office at Fairfield.

20.9. The divisional office for Banks was located in Revesby in sub-standard accommodation that could not be made suitable by any reasonable amount of refit. Revesby is not a major commercial centre or a significant transport node. The redistribution moved the boundary of Banks north, running along Marion Street and the railway line at Bankstown. Bankstown is a major commercial centre and the location of the Blaxland divisional office. Electors from Banks would travel to Bankstown or Hurstville for most commercial and business needs, and Bankstown is located about 5.2kms from Revesby. It was determined that the best solution was for the Banks divisional office to share premises with the Blaxland divisional office at Bankstown.

20.10. In both proposals for collocation, careful consideration was given to the location of commercial and business centres and transport nodes relevant to the electors in the affected divisions, as well as to administrative issues such as suitable accommodation and cost effective rents. In approving the AEC's proposals, the AEC understands that the Minister consulted the relevant four Members of Parliament concerned.

Conclusion

21.1. The dispersed nature of our organisation with its large divisional network, along with the cyclical nature of the AEC's business, means that some standard public sector models and approaches to fixing staffing levels and classifications would not work well in the AEC. Our capacity to roll out productivity improving technologies can also be limited by structural inflexibilities.

21.2. A singular view on what constitutes the best work locations and staffing levels for delivering the AEC's outcomes is not appropriate, and collocation is not the pivotal issue. The essential requirement for the AEC is the flexibility in determining business locations and staffing levels best suited for delivering effective electoral services and meeting client and stakeholder expectations in different metropolitan, regional and rural locations.

22.3. The AEC requires a workforce that is skilled and deployed in the best way to respond to legislative change. At the same time there is a requirement for legislation to better reflect evolving community expectations on access to electoral services.

APPENDIX A

History of Amalgamations

A1. Introduction

A1.1. There has been previous examination of the issue of collocation of divisional offices by the Joint Standing Committee on Electoral Matters (JSCEM).

A1.2. In its report into the conduct of the 2001 federal election¹⁰, JSCEM noted that the AEC had created some collocated divisional offices and proposed further collocations. The Committee raised a number of issues about collocations, which it believed had not been addressed, and recommended that collocations not proceed further. The Committee also recommended that the AEC be given funding to ensure a minimum of three full-time staff (or equivalent) in each divisional office (Recommendation 25).

A1.3. The Government's response to recommendation 25 was announced in October 2003:

“Supported in principle. There should not be any further collocations or amalgamations at this time. The Government is giving consideration to the need for legislation in this area.”¹¹

A1.4. This response was made against the background of a resourcing review being undertaken by Department of Finance and Administration (Finance) and the AEC, which had commenced in 2002.

A2. Resourcing Review

A2.2. The review was finalised in December 2003, and provided for an additional \$28.1 million over four years from 2003-04 to allow the AEC to meet its statutory obligations under the *Commonwealth Electoral Act 1918* (the Act). A further \$6.3 million for this period, in addition to \$1.9 million initially provided for 2003-04 only, was provided to support roll integrity activities. No additional funding was provided for by-elections and additional federal events, such as referendums, but a provision of \$2.5 million per annum was to be included in the contingency reserve to cover the costs for these events, should they arise.¹²

A2.3. The agreed funding model, which received Ministerial approval in December 2003, was based on the AEC's existing business model, including the structural requirement of the Divisional Offices. The review acknowledged that stakeholder concerns would preclude organisational rationalisation strategies Finance had requested the AEC consider during this resourcing review¹³. In particular, Finance had proposed a model in which the existing divisional office network was retained, but the number of staff in each office was reduced from three to two. The AEC was concerned that a two-person office would further exacerbate the risks of reduced customer service and problematic staff development and staff management that already exist for a three-person office (see **Section 3** below).

A2.4. As an outcome of this process, the full Commission¹⁴ advised that the AEC would continue with collocations already underway, as it would be impracticable to discontinue certain actions already in place. The AEC was also to continue to finalise design concepts for amalgamations at eight sites.

¹⁰ *Report of the inquiry into the conduct of the 2001 Federal Election, and matters related thereto*, June 2003

¹¹ Government response to the report of the Joint Standing Committee on Electoral Matters, October 2003.

¹² Since 2003-04 there has been one by-election, for the Division of Werriwa on 19 March 2005. There have been no additional federal events, such as referendums.

¹³ “Resourcing Review: Joint Report by the Department of Finance and Administration and the Australian Electoral Commission”, December 2003, p.24

¹⁴ The Commission of the AEC comprises the Chairman, the Electoral Commissioner, and the part-time non-judicial member of the Commission.

A2.5. It is the AEC's view, however, that the resourcing review did not provide sufficient funding to ensure all that divisional offices are staffed with three full time equivalent staff (FTE).

Finance agreed to funding for an additional 19.5 FTE. This was based on a snapshot as at 30 June 2003, indicating that there were 19.5 positions vacant in divisional offices.

A2.6. The AEC maintained that a more appropriate methodology to ensure staffing of divisional offices by three staff at all times was to base the staffing shortfall on the actual staffing average for divisional offices over the financial year 2002-03, compared to the number of staff positions, and to allow for backfilling of absences. This methodology showed a shortfall of 45 FTE, not 19.5, and 75 FTE of staff absences (annual leave, long-service leave, staff on duties at other offices including State Offices and National Office).

A3. Amalgamations

A3.1. In mid 2002, in the context of the resourcing review and the expectation by Finance that the AEC would thoroughly explore all possible cost saving and efficiency measures, the AEC began investigating the geographic rationalisation of the number of divisional offices.

Appropriate clusters of offices were proposed to be amalgamated, with a single staffing structure having functional responsibilities for all of the divisions included in the cluster.

A3.2. In practical terms an amalgamation was a collocation on two or more divisional offices in which the traditional divisional organisational silo would give way to work cells based either AEC business functions, such as an enrolment cell and elections cell, or some other cross-divisional organisational arrangement. It was envisaged that cost savings would be achieved by creating staffing structures in these collocations that would achieve salary savings.

A3.3. Design concepts were developed for a limited number of test sites identified in each State. In most cases the test sites were existing collocations, and the models for integration of functional responsibilities for all divisions built on existing cross-divisional work practices in the collocations. Table 8 shows the locations and divisions involved.

Table 8: Possible amalgamation sites

Offices	State	Location
Bennelong / Berowra / Bradfield / North Sydney	NSW	Chatswood
NT Office / Lingiari / Solomon	NT	Darwin
Blair / Oxley	QLD	Ipswich
McPherson / Moncrieff	QLD	Southport
Adelaide / Sturt	SA	Adelaide
Denison / Franklin	TAS	Hobart
Casey / Chisholm / Deakin / Menzies	VIC	Ringwood
Hasluck / Pearce	WA	Midland

A3.4. By mid-2005 individual amalgamated office models had been developed and implemented for five of these sites: Darwin, Hobart, Ipswich, Midland and Southport. No further sites have been amalgamated.

A4. Amendment to Legislation

A4.1. The Government's response to recommendation 25 included "giving consideration to the need for legislation in this area."¹⁵ In 2006, the Act was amended so that a divisional office can

¹⁵ Government response to the report of the Joint Standing Committee on Electoral Matters, October 2003.

only be located outside the divisional boundaries with the written approval of the Minister (s38 (1)). Since the amendment came into force, the Minister has approved two requests for collocations of divisions in NSW (see subsection 1.3 above). In approving these requests, the AEC understands that the Minister consulted the relevant four Members of Parliament concerned.