

## **AEC Management Issues**

### **Introduction**

- 4.1 This chapter focuses on the following Australian Electoral Commission (AEC) management issues which arose in the course of, or as a consequence of, the ANAO's Audit of the Integrity of the Electoral Roll:
- management information systems;
  - AEC procedures manuals;
  - the implementation of the Audit recommendations;
  - financial constraints, and particularly cost recovery; and
  - stakeholder relationships.

### **Management information systems**

- 4.2 The ANAO found that there were significant shortcomings in the AEC's management information systems which could or might limit the AEC's ability to:
- analyse its performance;
  - monitor the impact of initiatives such as CRU;
  - identify potential changes in service delivery practices to improve cost effectiveness; and

- provide major stakeholders with information on roll management.<sup>1</sup>
- 4.3 Recommendation 5 of the Audit Report was that the AEC upgrade its management information systems to improve monitoring and reporting.<sup>2</sup>
- 4.4 At the public hearing, when questioned by the Committee about its information systems, the AEC's response was that a review of its management information systems was scheduled to commence in 2002-03, but that the systems were not yet 'fully scoped'.<sup>3</sup> The AEC also said that the development of information systems would be a priority for the coming financial year.<sup>4</sup>
- 4.5 Based on the shortcomings identified by the ANAO, the Committee is concerned that the AEC's current management information systems are not capable of providing the AEC with accurate estimates of the costs of, and the timetable for, implementing enrolment activities, and are inadequate for analysing and reporting on its activities. The Committee considers that the AEC should ensure that the implementation of a comprehensive management information system is a matter of priority.

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### **Recommendation 10**

- 4.6 **The Committee recommends that, as a matter of priority, the Australian Electoral Commission implement more effective management information systems, with a view to ensuring it has the ability to:**
- **establish target levels for accuracy, completeness and validity of the Roll and assess whether targets have been met;**
  - **determine the costs of, and timetable for, implementing the Australian National Audit Office's recommendations;**
  - **prevent and detect electoral fraud;**
  - **determine the true cost of producing the Electoral Roll;**
  - **ensure that the Electoral Roll is generally managed effectively; and**
  - **provide greater transparency and accountability through better performance reporting.**

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1 Audit Report, p. 16.

2 Audit Report, p. 56.

3 Mr A Moyes, *Transcript*, p. 22.

4 Mr A Moyes, *Transcript*, pp. 22-3.

## AEC procedures manuals

- 4.7 The Audit Report identified that efficiency in processing and reviewing enrolments would be enhanced if the AEC's State Head Offices and Divisional Offices could access procedural manuals and related material on-line, rather than continuing their current reliance on hard copies.<sup>5</sup> The recommendations of the Audit Report did not encompass this conclusion.
- 4.8 In light of this, the Committee considers that the AEC should pursue the ANAO's conclusion that the provision of on-line manuals would increase efficiency.

### Recommendation 11

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

## Implementation of Audit recommendations

- 4.10 The Committee noted that the AEC accepted the 12 recommendations made in the Audit Report. The Committee also notes that the AEC has experienced some challenges in implementing recommendations from various Electoral Matters Committee reports tabled in previous parliaments.<sup>6</sup> The Committee questioned the AEC about its proposed implementation timetable.<sup>7</sup>
- 4.11 The AEC indicated that the implementation of these recommendations may be hampered by limited resources.<sup>8</sup>

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5 Audit Report, p. 54.

6 For example, Recommendation 53 of the Committee's Inquiry into the 1996 Federal Election (review of ss. 89-92 of the Electoral Act) was recommended again in the Committee's 2001 Inquiry into the Integrity of the Electoral Roll (Recommendation 7) and subsequently re-recommended in the Audit Report, Recommendation No. 12, p. 102.

7 Senator R Ray, *Transcript*, p. 19.

8 Mr P Dacey, *Transcript*, p. 2.

4.12 The AEC presented the Committee with a copy of a status report on the implementation of the ANAO's recommendations, and stated that they had 'established a timetable for many of the recommendations'.<sup>9</sup> The AEC advised the Committee that:

It is clear that the implementation of some of the recommendations will impose further resource and financial burdens on our agency ... Without an injection of funding, the AEC will not be in a position to implement all of the recommendations, even though we fully support their benefits.<sup>10</sup>

4.13 It was suggested by the AEC that extra funding may be required to:

- increase the effectiveness of, and verify, the CRU process;<sup>11</sup>
- improve the AEC's management information systems;<sup>12</sup> and
- establish targets for, and report on, Roll accuracy.<sup>13</sup>

4.14 The Committee noted the AEC's concerns regarding the cost of implementing the ANAO's recommendations, and suggested that the AEC make an assessment of the funding required to effectively implement the recommendations.<sup>14</sup>

4.15 The AEC responded by saying that the costs of implementing the ANAO's recommendations could only be quantified once an overall timetable for implementing the recommendations had been developed.<sup>15</sup>

4.16 The Committee considers that the implementation by the AEC of recommended changes, confirmed by a follow-up audit, would provide assurance to electors and other stakeholders that the Electoral Roll is being managed effectively.

4.17 The Committee advised the AEC and the ANAO that it would like a timetable for the implementation of the Audit Report's recommendations that would enable a follow-up audit to be conducted by the first half of 2004, allowing sufficient time to enable the Committee to examine and report on the follow-up audit during the 40<sup>th</sup> Parliament.<sup>16</sup>

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9 Mr P Dacey, *Transcript*, p. 2.

10 Mr P Dacey, *Transcript*, p. 2.

11 Mr P Dacey, *Transcript*, p. 18.

12 Mr P Dacey, *Transcript*, p. 17.

13 Mr W Cochrane, *Transcript*, p. 12.

14 Senator R Ray, *Transcript*, p. 13.

15 Mr P Dacey, *Transcript*, p. 13. The Committee notes that the issue of the AEC's resources has arisen as part of its current Inquiry into the conduct of the 2001 Federal Election. At the time of drafting this report, the Committee was awaiting a separate submission on this subject.

16 Senator R Ray and Senator A Murray, *Transcript*, pp. 19-20.

- 4.18 Subsequent to the public hearing, the AEC provided the Committee with an updated status report on the implementation of the Audit Report's recommendations (see Appendix A). The updated status report does not provide an overall indication of the specific costs involved, or the timetable for when the AEC will implement the recommendations. The Committee considers that the AEC should provide an indication of when the Audit Report's recommendations will be implemented and the funding needed to implement them, such that a follow-up audit can be conducted prior to the next Federal Election.

### **Recommendation 12**

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

### **Recommendation 13**

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

## **Cost recovery**

- 4.21 In relation to questioning about the resources needed to implement the recommendations in the Audit Report, the Committee noted comments from the AEC about the overall burden of managing the Electoral Roll without an adequate increase in funding. The AEC advised that its funding for enrolment activities, including Roll reviews and CRU, had not increased for several years, despite the 'growing size and complexity of the Electoral Roll database ... over this time'.<sup>17</sup>

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17 Mr P Dacey, *Transcript*, p. 2.

- 4.22 The Committee questioned the AEC's efforts in recovering the costs of maintaining the Electoral Roll, noting that the overall cost of maintaining the Roll includes:
- purchasing data from Australia Post, Centrelink and various State and Territory data sources for CRU activities;
  - conducting targeted habitation reviews; and
  - processing enrolment information.<sup>18</sup>
- 4.23 Electoral laws provide for specified persons and organisations to have access to Roll data. They include:
- Commonwealth departments and agencies listed in Schedule 2 of the *Electoral and Referendum Regulations 1940* – currently, 21 Commonwealth agencies have access to Electoral Roll data;<sup>19</sup> and
  - medical and social researchers for medical and social research purposes.<sup>20</sup>
- 4.24 Under Section 7B of the Electoral Act, the AEC may charge reasonable fees for goods or services supplied. The Committee notes that the Electoral Act does not preclude the AEC from charging for access to Electoral Roll data.
- 4.25 The public hearing made apparent that the AEC was paying commercial rates for information it needed from other government agencies, but was not charging commercial rates for the information it was required to provide to other government agencies.<sup>21</sup> There have been circumstances when the AEC has provided data free of charge to an organisation, yet paid to use that same organisation's data for Roll review purposes.<sup>22</sup>
- 4.26 In discussing the Joint Roll Arrangements, the Audit Report noted that the AEC recovers only about 30 percent of the full cost of maintaining the rolls.<sup>23</sup>
- 4.27 Particularly in light of the fact that the AEC pays commercial rates for data, the Committee considers the AEC should endeavour to recover the cost of providing the Electoral Roll data to the departments and agencies listed in Schedule 2 of the *Electoral and Referendum Regulations 1940*.

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18 Audit Report, pp. 16, 49, 82.

19 Audit Report, Appendix 3, p. 110.

20 AEC, *Annual Report 2000-01*, p. 29.

21 Senator R Ray, *Transcript*, pp. 13-4.

22 Audit Report, p. 50.

23 Audit Report, p. 64.

## Recommendation 14

- 4.28 **The Committee recommends that, with a view to recovering costs associated with the provision of the Electoral Roll data to Commonwealth agencies and departments listed in Schedule 2 of the *Electoral and Referendum Regulations 1940*, the Australian Electoral Commission:**
- **develop and implement a pricing regime to charge for use of Electoral Roll data; and**
  - **review current pricing arrangements for the exchange of data with Continuous Roll Update data sources.**

## Stakeholder relationships

- 4.29 The ANAO noted that the AEC's *Corporate Plan* makes little reference to the AEC's strategic relationships with:
- States and Territories;
  - other electoral authorities;
  - local government; and
  - the Committee.<sup>24</sup>
- 4.30 One of the six themes in the AEC *Strategic Plan 2001-04* is managing relationships with customers and stakeholders. The ANAO found that none of the strategies identified for planning and implementation refer to the AEC's relationships with its key stakeholders.<sup>25</sup>
- 4.31 Recommendation 7 in the Audit Report is that the AEC consult with its key stakeholders and develop ways to conduct, manage and report on these relationships.<sup>26</sup> The Committee endorses this recommendation.
- 4.32 One of the AEC's key relationships is with this Committee. At the public hearing, the Committee flagged the possibility that the relationship between the Committee and the AEC might resemble the relationship between, for example, the Auditor-General and the Joint Committee of Public Accounts and Audit.<sup>27</sup>

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24 Audit Report, p. 70.

25 Audit Report, p. 70.

26 Audit Report, p. 70.

27 Senator A Murray, *Transcript*, p. 27.

4.33 The Audit Report comments that:

The AEC needs a confident and open working relationship with the JSCEM. In the ANAO's view it is timely for the AEC to seek feedback from the JSCEM, and to consider a review of its approach to management of this vital strategic relationship.<sup>28</sup>

4.34 The Committee noted the AEC's comments at the public hearing that feedback from the Committee:

... is probably covered in Strategy 3 of our corporate plan, which is to conduct interactive workshops with customers and staff. We are planning under that strategy to have a stakeholder workshop in the near future, which would include our important stakeholders, members of parliament and the joint standing committee.<sup>29</sup>

4.35 The Committee looks forward to participating in these consultations.

**Mr Petro Georgiou MP**

Chair

14 October 2002

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28 Audit Report, p. 70.

29 Mr P Dacey, *Transcript*, p. 27.