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The Parliament of the Commonwealth of Australia

# **The Integrity of the Electoral Roll**

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

Joint Standing Committee on Electoral Matters

October 2002  
Canberra

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## Foreword

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

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

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

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

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

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

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

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

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

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

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

**Mr P Georgiou MP**  
Chair



## **Membership of the Committee**

**Chair** Mr P Georgiou MP

**Deputy Chair** Mr M Danby MP

**Members** Senator A J Bartlett

Mr J A Forrest MP

Senator G Brandis  
(from 28 August 2002)

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

Senator J Ferris  
(until 28 August 2002)

Mrs S P Ley MP

Senator A J M Murray

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

Senator B J Mason

Senator the Hon R F Ray

## **Committee Secretariat**

**Secretary** Mr Trevor Rowe

**Inquiry Secretary** Mr Christian Anderson

**Research Officers** Ms Sonia Palmieri  
Mr Alex Olah

**Administrative Officer** Mr Shane Read



## **Terms of reference**

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





## List of abbreviations

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



## List of recommendations

### 2 Analysis of Roll Integrity

#### Recommendation 1

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

#### Recommendation 2

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

#### Recommendation 3

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

#### Recommendation 4

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

#### Recommendation 5

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

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### 3 Administration of the Roll

#### Recommendation 6

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

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

#### Recommendation 7

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

#### Recommendation 8

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

#### Recommendation 9

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

### 4 AEC Management Issues

#### Recommendation 10

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

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

**Recommendation 11**

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

**Recommendation 12**

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

**Recommendation 13**

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

**Recommendation 14**

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

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



# Executive summary

## Chapter 1 – Introduction

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

## Chapter 2 – Analysis of Roll Integrity

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

### Accuracy

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

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

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

### **Completeness**

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

### **Validity**

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

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

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

### **Security**

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

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

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

### **Fraudulent Enrolments**

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

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

## **Chapter 3 – Administration of the Roll**

### **Maintenance of the Electoral Roll – Continuous Roll Update**

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

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

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

## **Implementation of a consistent national CRU program**

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

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

## **Access to State and Territory data**

### **Negotiations between the AEC and State and Territory agencies**

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

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

### **AEC demand powers**

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



## **Australia Post mail delivery**

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

## **CRU Streamlining**

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

## **CRU verification**

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

## **Chapter 4 – AEC Management Issues**

### **Management information systems**

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

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

### **AEC procedures manuals**

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

### **Implementation of Audit recommendations**

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

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

## Cost recovery

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

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

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

## Stakeholder relationships

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

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

## Introduction

- 1.1 This report presents the findings and recommendations of the review by the Joint Standing Committee on Electoral Matters ('the Committee') of Audit Report No. 42 of 2001-02, *Integrity of the Electoral Roll*.

## The Electoral Roll

- 1.2 The Electoral Roll contains the names and addresses of people entitled to vote in Federal elections.
- 1.3 Part VI of the *Commonwealth Electoral Act 1918* ('the Electoral Act') provides for the creation and maintenance of the Electoral Roll, the Roll comprising separate rolls for each Federal Division for the House of Representatives. At the most recent Federal Election on 10 November 2001, more than 12.6 million people were registered on the Roll.
- 1.4 The Roll is maintained by the Australian Electoral Commission (AEC), an independent statutory authority, which is also responsible for conducting elections and providing electoral information, education programs and related services.
- 1.5 An Electoral Roll with high integrity enables the AEC to manage elections effectively and assists in maintaining the confidence of Australian citizens in their electoral system.

## Conduct of the review

- 1.6 The Joint Committee of Public Accounts and Audit (JCPAA) routinely examines reports of the Commonwealth Auditor-General tabled in Parliament. There is an established practice whereby committees other than the JCPAA examine reports within their respective areas of interest. This was the case with Audit Report No. 42 of 2001-02, *Integrity of the Electoral Roll*, which was presented to the Parliament on 18 April 2002.
- 1.7 In May 2002, the Committee Chair advised the Chair of the JCPAA that the Committee had an interest in conducting a review of Audit Report No. 42, and the Committee subsequently resolved to conduct a review.
- 1.8 The review included a half-day public hearing on 17 June 2002 at Parliament House, Canberra, and consideration of written submissions from the AEC.

## Earlier reviews

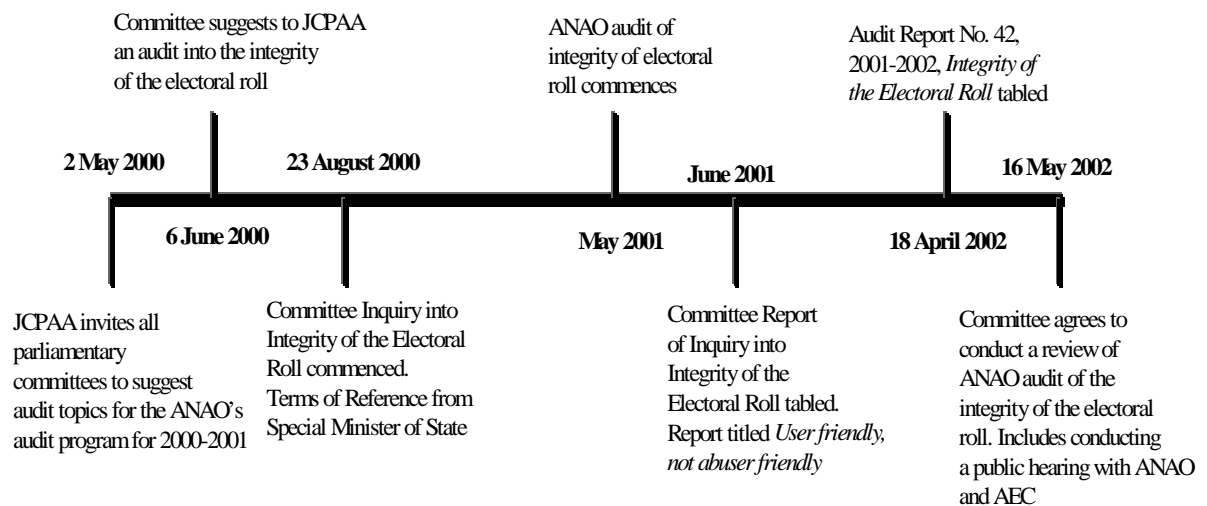
- 1.9 Since 1984, various predecessors of the Committee have raised concerns about the quality of the Commonwealth Electoral Roll and the incidence of electoral fraud, and a more recent Committee inquiry had identified the need for examination of the Electoral Roll by the Australian National Audit Office (ANAO).
- 1.10 In May 2000, the Chair of the JCPAA wrote to all parliamentary committees, inviting suggestions of audit priorities for the Auditor-General for his 2000-01 audit program.<sup>1</sup>
- 1.11 On 6 June 2000, the Committee responded to this invitation, suggesting the Auditor-General conduct an audit into the integrity of the Electoral Roll. The ANAO subsequently decided to conduct a performance audit on the integrity of the Roll, the audit commencing in May 2001.
- 1.12 In August 2000, the then Special Minister of State, Senator the Honourable Chris Ellison, referred to the Committee an inquiry into the integrity of the Electoral Roll. The Inquiry followed allegations of electoral fraud and inquiries conducted by bodies such as the Queensland Criminal Justice Commission and the Queensland Legislative Assembly's Legal, Constitutional and Administrative Review Committee.

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1 This invitation is made on an annual basis.

- 1.13 The resulting report, *User friendly, not abuser friendly*, was tabled in June 2001. That Inquiry found that:
- the existing controls to prevent enrolment fraud could be strengthened; and
  - the AEC could develop a more comprehensive approach to preventing enrolment fraud.
- 1.14 Figure 1 summarises these events.

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



Source: *Committee Analysis*

## Audit Report No. 42

- 1.15 The ANAO's audit of the Electoral Roll had two objectives. The first objective was to provide an opinion on the integrity of the Electoral Roll. In addressing this objective, the ANAO defined integrity as having four elements:
- accuracy - the Electoral Roll containing correct and up-to-date information relating to individuals;
  - completeness - the Electoral Roll including all individuals eligible to enrol;
  - validity - the Electoral Roll not including those ineligible to enrol; and
  - security - the Electoral Roll being protected from unauthorised access and tampering.

- 1.16 The second objective was to examine the effectiveness of the AEC's management of the Electoral Roll in ensuring the Roll's integrity. In particular, the ANAO aimed to identify and assess the mechanisms the AEC has in place to provide assurance that:
- the names and addresses on the Electoral Roll are legitimate and valid; and
  - people who are eligible to vote are registered, and registered correctly.
- 1.17 The ANAO reviewed the AEC's policies and procedures for managing the Electoral Roll, and their implementation by the AEC's State and Divisional Offices, paying particular attention to:
- strategic relationships between the AEC and its major stakeholders;
  - the Continuous Roll Update (CRU) process - the AEC's process for ensuring the accuracy, completeness and validity of the Roll; and
  - the adequacy of security and access arrangements to protect Electoral Roll information from tampering and unauthorised use.
- 1.18 The audit commenced in May 2001, with fieldwork conducted between May 2001 and February 2002. In addition to file and document reviews, the ANAO conducted interviews with staff in:
- the AEC Central Office in Canberra;
  - AEC Head Offices in all State and Territory capitals;
  - AEC Divisional Offices in New South Wales, Queensland, Victoria, Western Australia and the Australian Capital Territory;
  - State and Territory electoral authorities in all States and Territories;
  - the secretariat of the Committee; and
  - the secretariat of the Electoral Council of Australia.<sup>2</sup>
- 1.19 As part of its audit, the ANAO conducted independent data-matching of the Roll with data from other sources, in particular, the Medicare database maintained by the Health Insurance Commission (HIC).

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2 ANAO, Audit Report No. 42, 2001-02, *Integrity of the Electoral Roll*. Canberra, p. 34.

- 1.20 The ANAO concluded that the Australian Electoral Roll is one of high integrity and that it can be relied on for electoral purposes.
- 1.21 The ANAO also concluded that the AEC is managing the Electoral Roll effectively. It found that the AEC has mechanisms in place that provide assurance that the names and addresses on the Electoral Roll are legitimate and valid and that people who are eligible to vote are registered properly.
- 1.22 However, the ANAO reported that there were areas of the AEC's management of the Roll that could be improved, in particular by:
- better targeting of, and expansion of the number of data sources used to update the Roll;
  - strengthening strategic relationships with key stakeholders; and
  - better identification and management of risks to the integrity of the Roll.
- 1.23 The Audit Report contained 12 recommendations, all of which were accepted by the AEC.

## Structure of the Report

- 1.24 The structure of this report reflects the issues considered by the Committee during its review. They fall into three broad areas:
- analysis of Roll integrity;
  - administration of the Electoral Roll; and
  - AEC management issues.
- 1.25 Chapter 2 addresses the four components of integrity, namely accuracy, completeness, validity and security, and also the related issue of fraudulent enrolments.
- 1.26 Chapter 3 addresses a number of administrative issues relating to the Continuous Roll Update process, including how the Roll is maintained, and the verification and streamlining of the Continuous Roll Update process.
- 1.27 Chapter 4 addresses AEC management issues, including management information systems, the implementation of the Audit Report's recommendations and stakeholder relationships.



1.28 Supporting information is provided in Appendices A - D:

- a status report on the AEC's implementation of recommendations from the Audit Report (Appendix A);
- a list of submissions (Appendix B);
- a list of exhibits (Appendix C); and
- details of the public hearing (Appendix D).

1.29 A copy of this report is available on the Committee's website at <http://www.aph.gov.au/house/committee/em/audit42/index.htm>.

## **Analysis of Roll Integrity**

### **Introduction**

- 2.1 In June 2000, the Committee suggested that the ANAO conduct an audit into the integrity of the Electoral Roll. The ANAO agreed to do so and the Audit commenced in May 2001. The ANAO's review covered the elements of accuracy, completeness, validity and security.
- 2.2 A key element of the Audit that the Committee was concerned with was the extent to which the ANAO analysis independently validated the AEC's claims that the Roll is accurate and reliable.<sup>1</sup>
- 2.3 In making its independent assessment, the ANAO relied on data-matching the Electoral Roll against the Medicare database, data from the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), and motor vehicle registries in South Australia, Queensland, the Australian Capital Territory and the Northern Territory.

### **The Accuracy of the Roll**

- 2.4 In examining the Audit Report, the Committee considered the definitions, processes and assumptions of the ANAO regarding the accuracy of the Electoral Roll.
- 2.5 The Committee sought to clarify why the ANAO had used the Medicare database to independently check the accuracy of the Roll.<sup>2</sup>

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1 Australian National Audit Office, Audit Report No. 42, 2001-02, *Integrity of the Electoral Roll*. Canberra, pp. 78-9.

- 2.6 The ANAO used the Medicare database because, of the databases available, it would provide the most comprehensive list of names to match the Electoral Roll data against. The Medicare database contained some 18.4 million records compared to the 12.6 million records on the Electoral Roll. This reflected the fact that the Medicare database includes information on people with Australian residency status rather than Australian citizens only. The Medicare database also includes records of persons under 17 years of age, that is, people who do not satisfy the age qualification to be on the Electoral Roll, even provisionally.
- 2.7 However, the ANAO considered that addresses on Medicare records were less reliable than addresses on the Electoral Roll, assuming that records are updated when people make claims.
- 2.8 The ANAO defined accuracy as requiring that the 'electoral roll contains accurate and up-to-date information relating to individuals'.<sup>3</sup> The AEC indicated that accuracy has two parts, 'the name and date of birth, and ... the address identity'.<sup>4</sup>
- 2.9 The ANAO's conclusion on the basis of its independent data-matching of the Electoral Roll and the Medicare database was as follows:
- The results of the ANAO independent data-matching indicated that at close of roll for the November 2001 election, the roll was over 96 per cent accurate. The remaining four per cent would require additional investigation to confirm their accuracy. This finding confirmed the AEC claim that the roll is accurate and reliable.<sup>5</sup>
- ANAO data-matching of name and date of birth against Medicare and other sources achieved a significant match of over 96 per cent.<sup>6</sup>
- 2.10 The Committee is concerned that the ANAO's conclusions about accuracy did not make sufficiently transparent the fact that there had been no matching at all of names and birth dates with addresses. Readers may reasonably believe that the Roll is accurate in terms of voters being individuals entitled to vote, and enrolled at their residential addresses. In fact, the independent data matching established only that the Electoral Roll was accurate to 96 percent as to names and dates of birth, that is, as to individuals entitled to be on it. It did not establish that people defined by

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2 Audit Report, p. 72.

3 Audit Report, p. 71.

4 Mr T Pickering, *Transcript*, p. 10.

5 Audit Report, p. 78.

6 Audit Report, p. 14.

name and date of birth were correctly enrolled in the State, the Division or at the address at which they resided.

- 2.11 When this concern was raised with the ANAO, it responded that:
- ... as the report says – the 96 per cent only goes to the data-matching of names on the roll ... We make no more claims in terms of the 96 per cent, other than the fact that it is about names.<sup>7</sup>
- 2.12 The ANAO indicated that ‘the data-matching with the CRU processes et cetera has a high degree of integrity’.<sup>8</sup>
- 2.13 The Committee is of the view that, given the AEC’s definition of accuracy, the ANAO should have sought to match not only names and birth dates, but also addresses. In the absence of such matching the ANAO’s conclusion of 96 percent accuracy is not proven. The Committee notes that assertions that the Roll is 96 percent accurate do not necessarily imply 4 percent inaccuracy.
- 2.14 The importance of checking addresses in determining Electoral Roll accuracy was reinforced by the ANAO’s data-match of the 4.4 percent of people on the Electoral Roll that did not appear on the Medicare records. The ANAO attempted to match these to the motor vehicle registry records that it had access to – those of South Australia, Queensland, the Australia Capital Territory and the Northern Territory.<sup>9</sup>
- 2.15 In this exercise, the ANAO again did not match addresses. It nonetheless concluded that 15 percent of the electors who were not matched to the Medicare database, but were able to be matched to motor vehicle records, had vehicles registered in a State other than the State in which they were enrolled to vote.<sup>10</sup>
- 2.16 The ANAO stated that this phenomenon ‘occurred because the matching process identified instances where individuals had cross-border transactions with motor transport agencies’.<sup>11</sup> The ANAO explained that it understood that this was generally due to people being correctly entered on the Electoral Roll in their State of residence, but for a variety of reasons having their motor vehicles registered in another State. Subsequently, the ANAO indicated that it did not have any independent evidence of this, but had accepted AEC data analysis.<sup>12</sup> In response to enquiries, the AEC

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7 Mr W Cochrane, *Transcript*, p. 9.

8 Mr W Cochrane, *Transcript*, p. 9.

9 Audit Report, p. 77.

10 ANAO, *Submission* No. 5, p. S28.

11 Audit Report, p. 77.

12 ANAO, *Submission* No. 5, p. S28.

indicated that it had not conducted analysis that would support such a conclusion.<sup>13</sup>

- 2.17 The Committee noted that the AEC stated at the public hearing that its target for accuracy, while not precise, was in the high 90s – ‘as an organisation we work on high 90s’.<sup>14</sup> The ANAO testified that the AEC did not have a target for accuracy.<sup>15</sup>
- 2.18 In response to questioning by the Committee as to why the AEC did not have an explicit target for accuracy, the AEC indicated the figure is difficult to set, and that a roll cannot possibly be 100 percent accurate at all times, particularly because people are not required to notify changes to enrolment details as soon as they move.<sup>16</sup> The Committee noted that, in accordance with section 361(1) of the Electoral Act, the Court of Disputed Returns does not inquire into the accuracy of any Roll.
- 2.19 The Committee is of the view that the AEC must devise and set a measurable and achievable target for Roll accuracy, based on the target of ‘high 90s’ that was mentioned at the public hearing.<sup>17</sup>

## **Recommendation 1**

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

## **Completeness**

- 2.21 The AEC has a target of enrolling 95 percent of people eligible to vote. Market research conducted by the AEC to test enrolment levels indicates enrolment completeness is about 95 percent.<sup>18</sup>

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13 AEC, *Submission* No. 6, p. S29.

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

15 Mr S Delaney, *Transcript*, p. 12.

16 Mr P Dacey, *Transcript*, pp. 11-2.

17 Mr P Dacey, *Transcript*, pp. 11-2.

18 Audit Report, p. 79.

2.23 The ANAO observed that the market research methodology was skewed toward exaggerating completeness, and did not identify the ‘missing’ 5 percent or its geographical distribution.<sup>19</sup> Nonetheless, the ANAO, having derived a notional figure for the number of Australian citizens by adjusting the Medicare data, came to a similar conclusion that the Electoral Roll is 95.1 percent complete. The ANAO also found that there was comparative under-representation of the 17-30 year-old cohorts and an over-representation of 40-80 year-olds.

## Validity

- 2.24 Valid enrolment requires the attainment of 17 years of age, being an Australian citizen or eligible British subject, and having lived in the Division for at least one month.<sup>20</sup> The AEC does not have targets for validity of the Electoral Roll.
- 2.25 The ANAO comments that because the Electoral Act provides that the validity of enrolment shall not be questioned on the ground that the enrollee has not lived in the electorate for one month, ‘the emphasis of the AEC enrolment checking procedures are on questions of age and citizenship.’<sup>21</sup>
- 2.26 The ANAO similarly focussed on the issue of age and citizenship requirements. The Roll was matched against the Medicare database residency codes. This and some ancillary checking against DIMIA and other relevant data led the ANAO to conclude that, of the AEC records matched to Medicare records, ‘99 per cent could be confirmed ... indicating that less than 1 per cent of matched records would require further investigation for validation.’<sup>22</sup>
- 2.27 The Committee regards this conclusion as somewhat optimistic. The Medicare ‘Australian resident’ code is a very crude surrogate for citizenship and eligible British subject status, and the Committee notes that there are an estimated 940,000 residents entitled to take out citizenship who have not done so.

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19 Audit Report, pp. 79-80.

20 *Commonwealth Electoral Act 1918*, s. 93.

21 Audit Report, p. 86.

22 Audit Report, p. 16.

- 2.28 The Committee appreciates the efforts made by the ANAO to get an independent test of validity. Nonetheless it considers that it may have been better had the ANAO avoided giving such results the patina of scientific precision implied by statements like '99.7 per cent of matched results could be confirmed', which cannot be sustained by the data.<sup>23</sup>

### **Recommendation 2**

- 2.29 **The Committee recommends that the Australian Electoral Commission set a target for Electoral Roll validity and, commencing in 2002-03, use this target as a performance indicator in its Portfolio Budget Statements and report performance in its annual reports.**
- 2.30 The Audit Report asserts that '[m]ost enrolment forms are accepted as valid claims unless there is a reason to undertake further verification'.<sup>24</sup> The Report does not elaborate on what those reasons might be.

### **Recommendation 3**

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

## **Security**

- 2.32 The Audit Report found that:

In compliance with Commonwealth requirements, the AEC has developed a risk management plan to identify and address the risks associated with its functions. The ANAO found that, as part of its risk management plan, the AEC had assessed the risks to internal security of the electoral roll and taken appropriate action to address those risks. The AEC has also implemented internal security provisions to prevent unauthorised access to the roll.<sup>25</sup>

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23 Audit Report, p. 91.

24 Audit Report, p. 54.

25 Audit Report, p. 16.

2.33 The ANAO observed that, despite the AEC having internal procedures in place to ensure the Electoral Roll is secure, it has gaps in its security features regarding the unauthorised use of Electoral Roll data. This has led to an increased risk that Electoral Roll data can be manipulated for fraudulent purposes, particularly through the availability of the Electoral Roll in electronic format. The Audit Report noted that:

Developments in information technology have made it easier to copy, modify, cross-match and disseminate roll data. They have made it more difficult for the AEC to prevent unauthorised access to the data.<sup>26</sup>

2.34 The Committee notes that its report on the conduct of the 1996 Federal Election recommended that the AEC review sections 89 to 92 of the Electoral Act, so as to take into account the developments in computer technology.<sup>27</sup> The Audit Report recommended that:

... the AEC give priority to completion of its review of ss. 89 to 92 of the *Commonwealth Electoral Act 1918*, recommended by the JSCEM, taking into account the extent of current electronic access to electoral roll data, and effectively assessing and treating the risks inherent in current developments in computer technology.<sup>28</sup>

2.35 The AEC agreed with this recommendation. It has recently provided some recommendations regarding sections 89 to 92 in its submission to the Committee for its Inquiry into the conduct of the 2001 Federal Election. The Committee will review these recommendations in due course.

## Fraudulent Enrolments

- 2.36 Fraudulent enrolment generally occurs when people:
- deliberately enrol themselves at a false address or in the wrong electorate;
  - deliberately enrol false names at real or false addresses; and
  - deliberately enrol other people's names at real or false addresses.<sup>29</sup>

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26 Audit Report, p. 101.

27 Audit Report, p. 101.

28 Audit Report, p. 102.

29 Australia. Parliament. Joint Standing Committee on Electoral Matters, 2001, *User friendly, not abuser friendly. Report of the Inquiry into the Integrity of the Electoral Roll*. Canberra, CanPrint, p. 13.



- 2.37 The issue of electoral fraud (or enrolment fraud) and how the AEC seeks to prevent it, was considered by the Committee in its 2000-01 Inquiry into the integrity of the Electoral Roll. It examined instances where identity fraud was used in electoral enrolment, in particular, where a 'fictitious identity was created and used to enrol, and [when] individuals used the details of genuine electors'.<sup>30</sup>
- 2.38 The ANAO made a number of significant recommendations to enhance the accuracy, completeness, and validity of the Roll, which the Committee endorses. However, the Committee is of the view that the issue of the accuracy of individual enrolments at the correct address needs to be adequately assessed.

#### **Recommendation 4**

- 2.39 **The Committee recommends that the integrity of the Electoral Roll be tested by a total habitation review of a sample electoral division in a State which has not had an election in the 12 months preceding the habitation review.**
- 2.40 Based on its review of the AEC's procedures, and the findings of the Committee's *User friendly, not abuser friendly* report, the ANAO considers that the AEC's policies and procedures are adequate to detect the majority of attempts at electoral fraud.<sup>31</sup>
- 2.41 At the Committee hearing, the AEC agreed with the ANAO's assertion that implementing the recommendations from the Audit Report would greatly assist its attempts to minimise fraudulent manipulation of the Electoral Roll. The AEC concurred that it needed to address the training and awareness of staff in detecting fraudulent activity, and the development of a fraud control plan, if electoral fraud is to be minimised.<sup>32</sup>
- 2.42 The Committee questioned the ANAO and the AEC about targeted fraud, which refers to fraud committed by persons in a specific division.<sup>33</sup>

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30 Audit Report, p. 88.

31 Audit Report, p. 88.

32 Mr P Dacey, *Transcript*, p. 24.

33 Senator A Murray, *Transcript*, p. 23.

2.43 It was apparent from the responses from both organisations that the AEC's fraud control plans could not guarantee total prevention of electoral fraud. The AEC advised the Committee:

With the system we have – a compulsory enrolment system – it is as open as possible, but we have never said it is not possible to defraud the system. We have always said that it has not occurred in a systematic way.<sup>34</sup>

2.44 The Committee believes that the AEC could expend more effort in developing fraud control plans and strategies to address this potential risk to the electoral system.

2.45 Since the public hearing, the AEC has advised the Committee that the development of an electoral fraud control plan was a priority for the 2002-03 financial year, and that it aimed to finalise the plan by early 2003.

2.46 The Committee welcomes this. It concurs with Recommendation 11 in the Audit Report – that, to minimise the risk of enrolment fraud, the AEC give 'high priority to finalising and implementing its fraud control plan specific to enrolment activities'.<sup>35</sup>

### **Recommendation 5**

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

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34 Mr P Dacey, *Transcript*, p. 24.

35 Audit Report, p. 89.

## **Administration of the Roll**

### **Introduction**

- 3.1 The Audit Report stated that by the mid-1990s, problems with the Australian Electoral Commission's administration of the Electoral Roll through its habitation reviews prompted the AEC to consider alternative Roll review processes.<sup>1</sup>
- 3.2 This chapter considers the resulting Continuous Roll Update (CRU) process. In examining the Audit Report, the Committee was interested in the way in which this process has been implemented by the AEC, and any problems encountered in accessing a nationally consistent data-set to use for CRU.

### **Maintenance of the Electoral Roll - Continuous Roll Update**

- 3.3 Up until 1998, the Australian Electoral Commission (AEC) used habitation reviews as a means of ensuring the accuracy and completeness of the Electoral Roll. Habitation reviews involved a nation-wide doorknock

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1 Audit Report, p. 38.

about every 18 months to check that people were correctly enrolled.<sup>2, 3</sup> The Audit Report listed a number of deficiencies in the use of habitation reviews, including the following:

- The AEC's main objective was to have an accurate roll for Federal events, and although attempts were made to fit the timing of State and local government elections as well, rolls were often not updated in time for State and local government elections.
- Changes occurring between a habitation review and an election were not captured.
- The electoral roll quickly became out-of-date because of the gap between habitation reviews.<sup>4</sup>

3.4 According to the ANAO report, the Australian Joint Roll Council (now the Electoral Council of Australia) reviewed methods of maintaining an up-to-date Roll and concluded that, for future Roll management, greater use should be made of available technology by moving to CRU, and this has occurred.<sup>5</sup>

3.5 In conducting CRU:

... the AEC, using data sourced from within the AEC and [data] obtained from external sources, undertakes data-matching and data-mining activities to identify addresses on the roll where residents have moved. The AEC identifies new electors (youth coming of age and new citizens), and those to be removed from the roll (for example, deceased electors), by the same process.<sup>6</sup>

3.6 Data-matching is the matching of AEC records to data records of external sources. Data-mining is the analysis of the AEC's data.<sup>7</sup>

Using the results from data-matching and data-mining, the AEC sends letters and enrolment forms to individuals inviting them to enrol or update their details. As individuals respond to AEC letters the roll is updated.<sup>8</sup>

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2 Audit Report, pp. 38, 41. The Audit Report refers to a Joint Roll Council reference to habitation reviews being conducted every two years.

3 Mr A Moyes, *Transcript*, p. 15.

4 Audit Report, p. 38.

5 Audit Report, p. 39.

6 Audit Report, p. 39.

7 Audit Report, p. 39.

8 Audit Report, p. 39.

3.7 Since the inception of CRU, the AEC has improved its ability to periodically review the Electoral Roll. For example, it has increased the frequency of its reviews, conducting:

... a monthly mailing following data-matching of external data that indicates that an elector has changed their address or has recently become eligible for enrolment, and not updated their enrolment.<sup>9</sup>

3.8 The Committee questioned the AEC on why the levels of enrolment by 18 year olds dropped between the issue of writs and the close of rolls for the 2001 Federal Election, compared to the 1998 Federal Election. In response the AEC suggested that targeting this enrolment group using CRU activities had successfully reduced the enrolment numbers of 18 year olds.<sup>10</sup> Specifically:

Since the 1998 Federal Election the AEC has increased its Continuous Roll Update activities with the aim of improving the quality of the electoral roll at any point in time ... The activities undertaken to encourage greater enrolment of 17 and 18 year olds include:

- paying a bounty to schools in WA, SA, TAS and the ACT for the collection of completed enrolment forms;
- sending an enrolment form with the Year 12 examination results in QLD – this is a cooperative venture between the AEC and the QLD Electoral Commission;
- the Victorian Electoral Commission (VEC) sending a birthday card to 17 year olds with an enrolment card enclosed. The VEC obtains data from the Victoria Board of Studies and the Tertiary Admissions Centre;
- writing to 18 year olds identified from transport authority data obtained in QLD, SA and the ACT. Data in QLD was first obtained in 1997, and for SA and the ACT since the 1998 election; and
- writing to 17 and 18 year olds identified from Centrelink change of address data, and 17 and 18 year old client data, obtained for all States and Territories. Centrelink data was first obtained after the 1998 election.<sup>11</sup>

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9 Australian Electoral Commission 8 July 2002. *Electoral Roll Review*, [http://www.aec.gov.au/\\_content/what/enrolment/roll\\_review.htm](http://www.aec.gov.au/_content/what/enrolment/roll_review.htm).

10 AEC, *Submission* No. 4, p. S26.

11 AEC, *Submission* No. 3, p. S24.

3.9 In other words:

The AEC was able to enrol a sufficient number of 17 and 18 year olds between the 1998 and 2001 Federal Elections to result in a decline in the number of 18 year olds who needed to enrol during the close of roll period for the 2001 Federal Election.<sup>12</sup>

3.10 The Committee notes the Audit Report finding that:

The ANAO considers that the CRU methodology is an effective means of managing the electoral roll and is capable of providing a roll that is highly accurate, complete and valid.<sup>13</sup>

3.11 It also notes the Audit Report's conclusion that CRU had developed in an 'ad hoc' manner, without strategic planning for a consistent national approach. As a result, the Report concluded that, after two years, CRU was not fully implemented and different data is used for different States and Territories.<sup>14</sup>

3.12 The Committee examined the following aspects of the implementation of CRU:

- implementation of a consistent national CRU program; and
- issues affecting the use of CRU.

## **Implementation of a consistent national CRU program**

3.13 Recommendation 1 of the ANAO Audit Report states:

To achieve a consistent approach across all States and Territories in managing the electoral roll, the ANAO recommends that the AEC develop a strategic plan for the CRU that:

- sets out national standards for updating the electoral roll;
- identifies and addresses gaps in the existing CRU program; and
- sets a timetable for implementation of a consistent national CRU program.<sup>15</sup>

3.14 The AEC agreed with this recommendation and identified relevant strategic priorities.

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12 AEC, *Submission* No. 4, p. S26.

13 Audit Report, p. 13.

14 Audit Report, p. 13.

15 Audit Report, p. 42.

- 3.15 However, the Committee is concerned that the AEC did not specifically address the recommendation that its national plan include national standards for updating the Electoral Roll.<sup>16</sup> The Committee considers that national standards for updating the Electoral Roll would assist the AEC to implement a consistent national CRU program.
- 3.16 The Committee notes the AEC's status report on the implementation of Recommendation 1 from the Audit Report, in particular that:
- The AEC has identified enrolment and CRU as strategic priorities in the current AEC strategic plan. The first priority is to develop a CRU strategic plan in consultation with the Electoral Council of Australia (ECA). Work on this plan will commence in August/September with an aim to complete it by the end of 2002 subject to agreement by the ECA.<sup>17</sup>
- 3.17 At the public hearing, the AEC suggested that it was addressing the Recommendation's second element ('identifies and addresses gaps in the existing CRU program').<sup>18</sup> While the Committee notes this, it is still concerned that the AEC's response does not address directly the first and third points of Audit Report Recommendation 1.

## Recommendation 6

- 3.18 **The Committee recommends that the Australian Electoral Commission provide the Committee with regular 12-monthly progress reports on its development and implementation of:**
- **national standards for updating the Electoral Roll; and**
  - **a timetable for the implementation of a consistent national Continuous Roll Update program.**

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16 Audit Report, p. 42.

17 See Appendix A.

18 Mr T Pickering, *Transcript*, p. 3.

## Issues affecting use of CRU

- 3.19 The Committee considered several aspects of CRU which the ANAO's Report suggested affected the AEC's capacity to maximise the accuracy, validity and completeness of the Electoral Roll, and which required further action. Two issues were:
- identification of data sources; and
  - access to State and Territory data.
- 3.20 In addition, two matters were specifically identified by the ANAO as affecting the effectiveness of CRU, namely AEC correspondence, and Australia Post mail delivery. In relation to AEC correspondence, the ANAO recommended that the AEC:
- review and revise, as appropriate, CRU correspondence with electors; and
  - include in future correspondence reference to a citizen's legal obligation to enrol to vote and the penalties that apply for non-compliance.<sup>19</sup>
- 3.21 The AEC agreed with this recommendation. The Audit Report did not make a recommendation on the issue of Australia Post mail delivery.

## Identification of data sources

- 3.22 The CRU process is heavily dependent on the quality, comprehensiveness and timeliness of external data sources. In its analysis of the implementation of the CRU process, the Audit Report referred to limitations in coverage by Commonwealth data sources creating a need to use State and Territory data sources.<sup>20</sup> It stated that:

data from State and Territory agencies used by the AEC for CRU are supplied on the basis of available data State electoral authorities can obtain from State agencies, rather than whether it will best facilitate an effective CRU program.<sup>21</sup>

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19 Audit Report, pp. 50-1.

20 Audit Report, p. 43.

21 Audit Report, p. 45.



- 3.23 Recommendation 2 of the ANAO Audit Report recommended that the AEC maximise the benefits of data-matching by identifying and monitoring optimal data sources.<sup>22</sup>
- 3.24 The Committee supports this recommendation.
- 3.25 The Committee also notes that the ANAO identified an optimal suite of data sources for data-matching, to which the ANAO considered the AEC should gain access. The suite comprised:
- Australia Post;
  - Centrelink;
  - the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs;
  - State and Territory rental bond boards;
  - State and Territory motor transport agencies;
  - State and Territory fact of death files;
  - State and Territory public housing authorities; and
  - State and Territory revenue and/or land titles offices.<sup>23</sup>
- 3.26 The Committee notes that it may also be advantageous to have access to the Medicare database for verification purposes. This is discussed further below (see paragraphs 3.64 and 3.65).

## Access to State and Territory data

- 3.27 The Committee noted the Audit Report's finding that:

Most data for CRU comes from Commonwealth sources. However, State data sources have proved to be most effective for early identification of electors who change address.... However, provision of State data has been uneven.<sup>24</sup>

- 3.28 The State and Territory electoral authorities collect data from State and Territory agencies and provide it to the AEC. Joint Roll Arrangements outline the financial arrangements between the AEC Central Office and State and Territory electoral authorities. The Audit Report states that most of the Joint Roll Arrangements 'do not take account of recent

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22 Audit Report, p. 46.

23 Audit Report, p. 46, Table 3.

24 Audit Report, pp. 42-3.

developments of CRU and of AEC use of data from various State agencies for CRU.<sup>25</sup>

3.29 At the hearing on 17 June, the Committee questioned the ANAO and the AEC on:

- negotiations between the AEC and State and Territory agencies on accessing CRU data sources;<sup>26</sup> and
- the AEC's powers, based on section 92 of the Electoral Act, to demand relevant information from State and Territory agencies.<sup>27</sup>

### **Negotiations between the AEC and State and Territory agencies**

3.30 The Audit Report stated that, '[t]he AEC does not have access to State agency data in New South Wales and Victoria'.<sup>28</sup> This has been attributed to privacy legislation in New South Wales.<sup>29</sup> The ANAO, however, considered that there was 'no obvious impediment to accessing relevant State data sets for the purpose of maintaining the electoral roll.'<sup>30</sup>

3.31 The Victorian Electoral Commission does have access to State agencies' data for data-matching. It uses electors' responses to update the Victorian State Roll and then passes the cards it receives to the AEC for updating of the Commonwealth Electoral Roll, but it does not provide the AEC with the actual data.<sup>31</sup>

3.32 The Committee is concerned with the limitations in the AEC's access to data sources in the two most populous States, New South Wales and Victoria.

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25 Audit Report, p. 65. Joint Roll Arrangements vary between the States and Territories. AEC Central Office either has responsibility for collecting and processing Roll data (in Victoria and Western Australia) or maintaining a joint Roll with input from various State and Territory agencies. Under these Arrangements, the States and Territories pay the Central Office for maintenance services of the Electoral Roll.

26 *Transcript*, pp. 4-8.

27 *Transcript*, pp. 20-1.

28 Audit Report, p. 44.

29 Audit Report, p. 48.

30 Audit Report, p. 49.

31 Audit Report, p. 44.

- 3.33 In relation to the overall inconsistency between States, the Audit Report stated that:
- ... there has been an inconsistent approach across States and Territories due in part to their differing levels of cooperation with the AEC.<sup>32</sup>
- 3.34 At the public hearing, the Committee endeavoured to clarify the AEC's practices in relation to negotiating with State electoral commissioners for access to State and Territory databases.<sup>33</sup> The Committee is concerned that the responsibilities for negotiating access to State and Territory data sources are not clearly defined, and that this results in sub-optimal access to those sources.
- 3.35 The Committee considers that the AEC Central Office should be pro-active in negotiating access to CRU data sources with State and Territory agencies, and not rely on AEC State and Territory Head Offices or the State and Territory electoral commissions. This should result in improved access to data sources, and assist in the development of a more coherent national standard.
- 3.36 The Committee notes and endorses the Audit Report's Recommendation 3 that the AEC identify more effective arrangements for negotiating access to State and Territory data, and pursue all data essential for Roll management.<sup>34</sup>

### Recommendation 7

- 3.37 **The Committee recommends that the Australian Electoral Commission's Central Office conduct the negotiations with State and Territory agencies to ensure it has optimal access to relevant Continuous Roll Update data sources in all States and Territories.**
- 3.38 As noted above, the Audit Report states that most of the Joint Roll Arrangements 'do not take account of recent developments of CRU and of AEC use of data from various State agencies for CRU', particularly in relation to access arrangements and cost recovery.<sup>35</sup>

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32 Audit Report, p. 42.

33 *Transcript*, pp. 4-6.

34 Audit Report, p. 48.

35 Audit Report, p. 65.

**Recommendation 8**

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

**AEC demand powers**

- 3.40 Section 92 of the Electoral Act provides that the AEC can demand:

... all such information as the Electoral Commission requires in connection with the preparation, maintenance or revision of the Electoral Rolls.

- 3.41 The Audit Report noted that the AEC had not fully tested its demand powers when seeking information from State agencies, either through its Central Office or through its State and Territory officers.<sup>36</sup>

- 3.42 The ANAO suggested:

that the AEC should fully test the use of its demand powers. If in testing these powers the AEC finds them inadequate, the matter should be brought to the attention of the Government.<sup>37, 38</sup>

- 3.43 At the 17 June hearing, the ANAO expanded on this point:

We do not have the same data sets being collected by the AEC from each State and Territory – and there is a risk that the Commonwealth roll will go out of sync across States and Territories .... What we were suggesting was that the AEC might need to use its demand powers to get data where it cannot go into cooperative arrangements with states and territories, at either an electoral office level or a state agency level. We are aware that the demand powers are limited. It appears they do not allow the AEC to go directly to state agencies for data, but our concern is that they have not been sufficiently tested at this stage.<sup>39</sup>

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36 Audit Report, pp. 48-9.

37 Audit Report, p. 49.

38 Mr S Delaney, *Transcript*, p. 20.

39 Mr S Delaney, *Transcript*, p. 20.

3.44 The AEC responded:

The commission has always held the view that the demand powers of section 92 of the Commonwealth Electoral Act do not allow us to go to state agencies to obtain data.<sup>40</sup>

3.45 The AEC foreshadowed that its submission to the Committee's current Inquiry into the conduct of the 2001 Federal Election would contain appropriate recommendations to amend the Electoral Act.<sup>41</sup>

3.46 The Committee notes that Attachment D of the AEC's submission to the Inquiry into the conduct of the 2001 Federal Election, dated 12 July 2002, is an AEC review of sections 89 to 92 of the Electoral Act. Recommendation 9 in Attachment D states:

The AEC recommends that section 92 of the Electoral Act be amended to expand the demand power of the AEC for information from any government or semi-government source at all levels (ie. Commonwealth, State, and local government authorities) for the purpose of preparation, maintenance and revision of the roll.<sup>42</sup>

3.47 The Committee will examine the proposal as part of the Inquiry.

### Australia Post mail delivery

3.48 The Audit Report specifically noted that Australia Post mail delivery was an issue having an impact on the effectiveness of CRU: 'CRU relies on an effective postal service.'<sup>43</sup>

3.49 In particular, the Report noted that a large number of letters sent by the AEC were not delivered but were returned to Divisional offices. The Report suggested that this issue needed to be addressed from two angles:

- the AEC may address CRU-generated correspondence 'to the Resident' where the AEC does not know who lives at a particular address. The ANAO noted that in some circumstances contractors to Australia Post did not deliver mail that was not addressed with the resident's name;<sup>44</sup> and

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40 Mr A Moyes, *Transcript*, p. 20.

41 Mr P Dacey, *Transcript*, pp. 20-1.

42 AEC, *Submission to the Inquiry into the 2001 Federal Election* No. 147D, pp. S632-S633.

43 Audit Report, p. 51.

44 Audit Report, p. 51.

- reasons for failure to deliver can be useful to the AEC, so it is important to obtain these reasons where possible.<sup>45</sup>
- 3.50 The ANAO found that resolution of these issues varied between States and noted that Australia Post had given undertakings to improve performance in these two areas.<sup>46</sup>
- 3.51 The ANAO considered ‘that communications between all levels of the AEC and Australia Post could be further strengthened by the development of a Memorandum of Understanding (MOU) between the two agencies.’<sup>47</sup> The Report listed items the MOU could include. However, the Audit Report did not contain a recommendation that the AEC pursue this.
- 3.52 The Committee believes that the AEC should explore the possibility of entering into a Memorandum of Understanding with Australia Post, covering the items specified in paragraph 2.73 of the Audit Report, namely:
- principles and expectations of each party to the Memorandum of Understanding;
  - services and products to be covered by the Memorandum of Understanding (this could include Change of Address data and postal services provided by Australia Post, and roll data provided by the Australian Electoral Commission);
  - standards of service and performance;
  - financial arrangements;
  - administrative arrangements;
  - procedures for problem resolution; and
  - mechanisms to investigate and address problems that might arise or persist in particular Divisions and/or States.
- 3.53 The Australian Electoral Commission should report to the Committee regarding the possible Memorandum of Understanding as soon as practicable.

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45 Audit Report, p. 51.

46 Audit Report, p. 51.

47 Audit Report, p. 52.

## CRU Streamlining

- 3.54 The ANAO identified automatic roll updating (known as Direct Address Change) as a mechanism capable of increasing the efficiency of the CRU process.<sup>48</sup> The ANAO also suggested that automatic roll updating could be used to reduce enrolment fraud in the Australian electoral system.<sup>49</sup> Automatic roll updating involves the cross matching of the Electoral Roll to high quality data sources, where the authority originally receiving the change of address information has already verified the identity of the elector providing the information.<sup>50</sup>
- 3.55 Currently, the AEC sends a notification letter to an elector inviting them to change their address details, and if the notification letter is returned, the person's details are updated and the AEC then sends another letter to the elector confirming the change in address.<sup>51</sup> Automatic roll updating would allow the AEC to send one letter to the elector notifying them that their details had been changed automatically.
- 3.56 The ANAO noted 'that the current Commonwealth legislation would preclude automatic updating of the Electoral Roll.'<sup>52</sup>
- 3.57 At the 17 June hearing, the AEC expressed interest in the concept of automatic roll updating and 'direct address change', asserting that 'there is potential for significant savings if we adopt that sort of a system.' The AEC noted that it was a matter that would be followed up with the Committee.<sup>53</sup>
- 3.58 The Committee acknowledges that automatic roll updating provides a means of streamlining CRU. However, it sees potential for inaccurate outcomes if the elector is not directly involved in the process. In this context, as it indicated at the public hearing on 17 June, the Committee has reservations about automatic roll updating, and considers that the AEC should give this careful consideration.<sup>54</sup>

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48 Audit Report, p. 52.

49 Audit Report, p. 53.

50 Audit Report, p. 52.

51 Mr P Dacey, *Transcript*, p. 25.

52 Audit Report, p. 53.

53 Mr P Dacey, *Transcript*, p. 25.

54 Mr P Georgiou MP, *Transcript*, p. 25.

## CRU verification

- 3.59 The introduction of the CRU process in 1999 represented a fundamental change in the way the AEC maintains the Electoral Roll. Accordingly, the Committee considers that it is extremely important that the process be evaluated.
- 3.60 In its analysis of the integrity of the Electoral Roll, the ANAO suggested measures to check the effectiveness of the CRU process in maintaining an accurate Electoral Roll.<sup>55</sup> For example, the ANAO suggested that the AEC could measure and monitor the accuracy of address register data by conducting ‘periodic, independent verification of a sample of addresses and/or the records from targeted fieldwork.’<sup>56</sup>
- 3.61 Recommendation 9 of the ANAO Audit Report is:
- To measure the accuracy of the electoral roll, the ANAO recommends that the AEC consider introducing a periodic review of a sample of the electoral roll.<sup>57</sup>
- 3.62 The Committee questioned the AEC as to whether it conducts random habitation reviews to verify the CRU process. The AEC responded that it had not done so to date, but that it:
- ... is certainly one of the things we have in mind. One of the recommendations of the ANAO report is that we undertake regular checks of the roll, and that will be one of the options we will be looking at.<sup>58</sup>

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### Recommendation 9

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

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55 Audit Report, p. 74.

56 Audit Report, p. 74. In verifying completeness of the Electoral Roll, the AEC conducts ‘targeted reviews’ to follow-up on individuals who do not respond to enrolment letters.

57 Audit Report, p. 76.

58 Mr A Moyes, *Transcript*, p. 16.



3.64 As part of its analysis of the integrity of the Electoral Roll, the ANAO undertook independent testing of the Electoral Roll by data-matching Medicare records and electoral roll records. In the course of the discussion of this, the Audit Report noted that:

... the ANAO sees benefit in the AEC having periodic access to Medicare data ... Medicare data could provide the AEC with a benchmark against which to measure the completeness of the electoral roll ... [and] a cost-effective means to assist the AEC to confirm the accuracy of the roll, and to isolate potential instances of invalidity.<sup>59</sup>

3.65 On the basis of available evidence and its earlier comments (see Chapter 2), the Committee considers that careful consideration needs to be given to the use of the Medicare database.

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59 Audit Report, p. 73.

## **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**

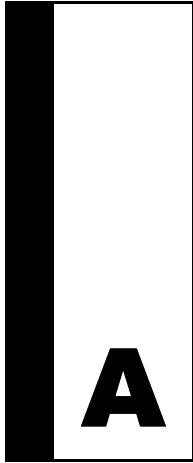
Chair

14 October 2002

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28 Audit Report, p. 70.

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



**Appendix A – Status Report on AEC’s  
Implementation of Recommendations from  
Audit Report No. 42**

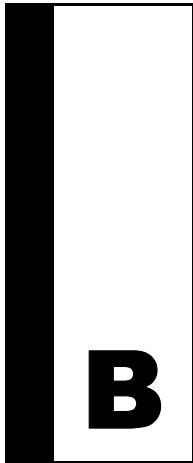
**Table A: Funding requirements and time frame for the implementation of the ANAO recommendations**

Rec No	Subject	AEC Response	Status
1	<p>To achieve a consistent approach across all States and Territories in managing the electoral roll, the ANAO recommends that the AEC develop a strategic plan from the CRU that:</p> <ul style="list-style-type: none"> <li>• sets out national standards for updating the electoral roll;</li> <li>• identifies and addresses gaps in the existing CRU program; and</li> <li>• sets a timetable for implementation of a consistent national CRU program.</li> </ul>	Agreed	<p>The AEC has identified enrolment and CRU as strategic priorities in the current AEC strategic plan. The first priority is to develop a CRU strategic plan in consultation with the Electoral Council of Australia (ECA). Work on this plan will commence in August/September with an aim to complete it by the end of 2002 subject to agreement by the ECA. The development of the plan is not expected to incur additional costs. However, the implementation of the plan will incur costs. The costs for implementation will not be known until the plan is developed and proposed work is scoped.</p>
2	<p>To maximise the benefits of its data-matching activities in maintaining the electoral roll, the ANAO recommends that the AEC:</p> <ul style="list-style-type: none"> <li>• determine an optimal suite of data required to implement an effective national CRU program;</li> <li>• monitor data sources used for CRU to ensure the most effective sources are identified and used; and</li> <li>• monitor enrolments obtained from non-CRU activities to identify potential gaps in data-matching coverage.</li> </ul>	Agreed	<p>The proposed CRU strategic plan will address the issue of maximising the benefits of data matching activities to ensure an optimum suite of data is sourced and used to obtain the most effective results in implementing an effective CRU program.</p> <p>Evaluation of the current data sets has not identified sufficient overlap to conclude which data sets are optimal at the exclusion of others. As each new data source comes online further evaluations are undertaken. It is expected that it will take about 18 months to identify, source and evaluate the different data sources for this activity. It is proposed that the Management Information Systems will be enhanced to streamline this process. However, until system enhancements are specified it is not possible to identify the likely costs of implementing this process.</p>

3	<p>To improve the effectiveness of the CRU program, the ANAO recommends that the AEC:</p> <ul style="list-style-type: none"> <li>• identify more effective arrangements to progress negotiations with States and Territories for access to relevant data; and</li> <li>• actively pursue access to all data sets that it considers essential to ensure efficient and effective management of the Commonwealth roll.</li> </ul>	Agreed	<p>These initiatives will be pursued by the AEC during renegotiation of the Joint Roll Arrangements with the States and Territories and during the development of the CRU strategic plan. It is not expected that there will be costs in managing the negotiations. However, the significant costs that are likely to occur in obtaining the data are not known at this stage.</p>
4	<p>To improve the effectiveness of its correspondence with electors, the ANAO recommends that the AEC:</p> <ul style="list-style-type: none"> <li>• review and revise, as appropriate, CRU correspondence to electors; and</li> <li>• include in future correspondence reference to a citizen's legal obligations to enrol to vote and the penalties that apply for non-compliance.</li> </ul>	Agreed	<p>Funding has already been allocated for a review of all Enrolment and CRU forms and letters to commence in August this year with an expected completion by mid 2003.</p> <p>Consideration will be given to including information about a citizen's legal obligation to enrol and vote, the penalties that apply for non-compliance, and access to roll data, on the relevant forms and letters during the planned review. The costs associated with this initiative will not be significant.</p>
5	<p>To enhance AEC ability to use its existing information on the electoral roll better and manage the roll more efficiently and effectively, the ANAO recommends that the AEC upgrade its management information systems to enable:</p> <ul style="list-style-type: none"> <li>• measuring and reporting of: <ul style="list-style-type: none"> <li>- the accuracy, completeness and validity of the electoral roll;</li> <li>- the accuracy of the address register; and</li> <li>- the cost of its various enrolment activities; and</li> </ul> </li> <li>• monitoring of the implementation and impact of initiatives, such as CRU.</li> </ul>	Agreed	<p>The AEC has identified the enhancement of its management information systems as a priority for this financial year. Work has commenced on developing the specifications with the first stage of the development expected to be completed by mid 2003. The full cost of the enhancements will not be known until the specifications have been completed and the scoping undertaken.</p>

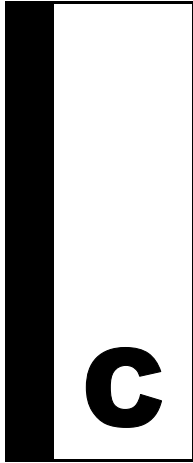
6	<p>To improve accountability, and to provide greater assurance that the electoral roll is being managed effectively, the ANAO recommends that the AEC identify and implement a suite of performances indicators that:</p> <ul style="list-style-type: none"> <li>• are relevant and appropriate for measuring enrolment activities;</li> <li>• contain both qualitative and quantitative measures; and</li> <li>• address the needs of the different stakeholders of the AEC.</li> </ul>	Agreed	<p>The AEC recognises the need for improved performance indicators and identified this need in Strategy 1 of the AECs 2001-2004 Strategic Plan. The review of the performance indicators and proposed measures will commence later this year with the aim to include them in the next budgetary cycle. The review will also look at integrating the measures into the proposed enhancements of the Management Information System. Costs associated with the collection of data for these future performance indicators could be significant. The AEC will advise the JSCEM of estimated costs in due course.</p>
7	<p>To improve and strengthen its relationships with key stakeholders, the ANAO recommends that the AEC give priority to consultation with, and obtaining feedback from, key stakeholders, and that it develop appropriate strategies and procedures for conducting, managing and reporting on these relationships through its corporate planning and performance reporting frameworks.</p>	Agreed	<p>The AEC's relationship with State and Territory electoral bodies is maintained by regular consultation and quarterly meetings with the ECA. A subcommittee of the ECA also meets regularly. Other meetings with our State/Territory counterparts are held to discuss Joint Roll Arrangements. The AEC also identified the need to conduct customer/stakeholder workshops when the AECs 2001-2004 Strategic Plan was developed. A number of customer workshops have already been held and a stakeholder workshop has been proposed for this financial year. These workshops will enable the AEC to obtain feedback on the AEC's performance as a service provider.</p>
8	<p>To assist in its management of the accuracy of electoral roll, the ANAO recommends that the AEC:</p> <ul style="list-style-type: none"> <li>• develop and introduce performance indicators to measure accuracy of the electoral roll;</li> <li>• develop measurable targets for roll accuracy; and</li> <li>• report those targets and indicators in its Annual Report.</li> </ul>	Agreed	<p>The AEC has already identified the need to improve its performance indicators and has planned to have the revised indicators completed by March 2003.</p>

9	To measure the accuracy of the electoral roll, the ANAO recommend that the AEC consider introducing a periodic review of a sample of the electoral roll.	Agreed	The AEC will examine appropriate methodologies for conducting a periodic review of a sample of the electoral roll to provide an assessment of roll accuracy. Costs associated with such a review could be significant depending on the type and size of the sample on which the review is undertaken.
10	<p>To improve the reliability and completeness of the electoral roll, the ANAO recommends that, in 2002-2003, the AEC focus its enrolment efforts on improving the completeness aspects of the electoral roll by:</p> <ul style="list-style-type: none"> <li>• identifying groups where non-enrolment is most prevalent; and</li> <li>• developing effective strategies to improve enrolment by these groups.</li> </ul>	Agreed	The AEC has a focus on accuracy and completeness and is continually looking for methodologies to improve both. We expect to obtain relevant ABS demographic data by end 2002. Analysis of this data will then proceed with an aim to identify areas to be targeted by each Division. The AEC's Divisions are developing business plans, which will include strategies for improving enrolment participation in these areas. The enhancement to our Management Information Systems will streamline the analysis of the data to expedite the identification of areas to target. Costs are yet to be identified, but will be provided to the JSCEM when they are available.
11	To minimise the risk of enrolment fraud, the ANAO recommends that the AEC give high priority to finalising and implementing its fraud control plan specific to enrolment activities.	Agreed	The AEC has already identified this as a priority for 2002-03. The process will start with an examination of the current processes and procedures commencing in early August with an aim to finalise development of an enrolment fraud control plan by early 2003.
12	To assess and to minimise risks to the integrity of the roll arising from new technology and increased access to roll data, the ANAO recommends that the AEC give priority to completion of its review of ss89. to 92 of the <i>Commonwealth Electoral Act 1918</i> , recommended by the JSCEM, taking into account the extent of current electronic access to electoral roll data, and effectively assessing and treating the risks inherent in current development in computer technology.	Agreed	The review of ss. 89 – 92 has been included in the July 2002 submission to the JSCEM. No significant costs are envisaged if the recommended legislative changes are made.



## **Appendix B – List of Submissions**

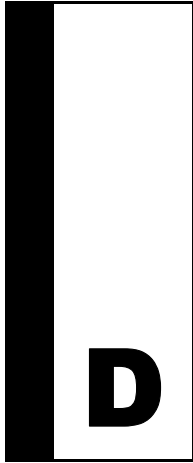
<b>Submission Number</b>	<b>Organisation</b>
1	Australian Electoral Commission (29 July 2002)
2	Australian Electoral Commission (1 August 2002) (Supplementary Submission)
3	Australian Electoral Commission (4 September 2002) (Supplementary Submission)
4	Australian Electoral Commission (5 September 2002) (Supplementary Submission)
5	Australian National Audit Office (20 September 2002)
6	Australian Electoral Commission (23 September 2002) (Supplementary Submission)



## **Appendix C – List of Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
1	Australian Electoral Commission. June 2002. <i>AEC Strategic Plan 2001-2004.</i>





## **Appendix D – Public Hearing and Witnesses**

### **Public Hearing**

**Monday, 17 June 2002 – Canberra**

#### **Australian Electoral Commission**

Mr Paul Dacey  
Deputy Electoral Commissioner

Mr Tim Pickering  
First Assistant Commissioner, Electoral Operations

Mr Andrew Moyes  
Assistant Commissioner, Enrolment

#### **Australian National Audit Office**

Mr Warren Cochrane  
Group Executive Director

Mr Peter White  
Executive Director

Mr Stephan Delaney  
Director (Performance Audit)