

# Australia

By Bill Gray

# Acknowledgements

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# I. Summary of survey findings

Australia has a voting population of 13 million people, all of whom are compelled by law to register and vote in national elections. The EMB responsible for the registration of voters and the conduct of national elections and referendums is the Australian Electoral Commission (AEC), which was first established by statute in 1984.

The estimated operating budget of the AEC in the most recent non-election fiscal year was A\$111 million (US\$87 million); its budget in the fiscal year (2004–2005) of the most recent election was A\$216 million, which included approximately A\$42 million in public funding of candidates and registered political parties. Overall costs have remained relatively constant over the past five years with budget increases in a non-election year in the order of 0.8 percent and in an election year around 1.3 percent. In Australia, the single largest line item in the election commission's election-year budget relates to costs associated with the employment of staff for the 7,000 polling places. The average cost of conducting the 2001 national election in Australia was A\$5.09 per elector (costs for the 2004 election are still to be calculated).

#### II. Structure of the EMB

The AEC is organized on a geographical basis with a Central Office in Canberra, the national capital; a Head Office in each of the state capitals and the Northern Territory; and a Divisional Office either located in or close to the 150 electoral divisions (constituencies). Each of the states and territories are divided into electoral divisions corresponding to the number of members in the House of Representatives.

Three people comprise the AEC:

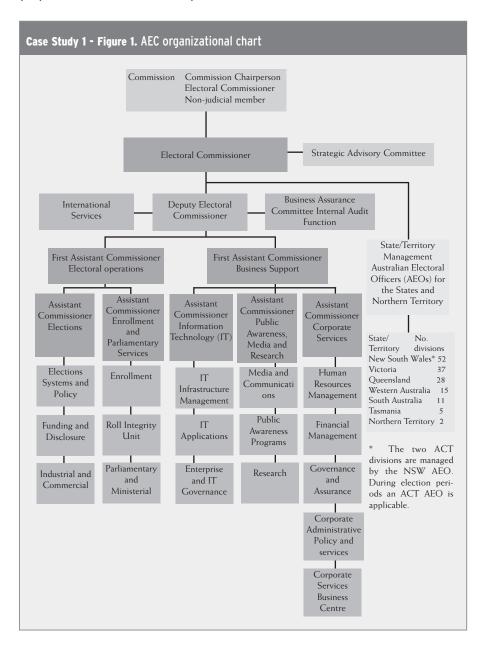
- The chairperson (who must be a judge or retired judge of the Federal Court of Australia and is a part-time member);
- The electoral commissioner (who performs the function of the chief executive officer and is a full-time member); and
- One part-time non-judicial member (usually the Australian Statistician).

In addition to the Commission, there is a deputy electoral commissioner and an Australian electoral officer (AEO) for each state and the Northern Territory. AEOs are responsible for the management of national (and in some circumstances local) electoral activities within their state or territory and are subject to the direction of the electoral commissioner.

The members of the Commission, the deputy electoral commissioners and the AEOs are appointed by the Governor-General (the Head of State), on the recommendation of the government of the day.

Each of the 150 electoral divisions has a permanent divisional returning officer who is responsible for electoral administration in his or her division, in particular the maintenance of the electoral roll (register) and preparations for the next electoral event.

The AEC employs about 850 permanent staff, operating from 157 offices in 135 locations around Australia. At election time, the AEC employs an additional 65,000 people to administer the election processes.



# III. Legal framework

The basis for electoral administration in Australia is found in the Australian Constitution and the provisions of the Commonwealth Electoral Act (as amended) of 1918 (the Act). While the Constitution establishes the broad foundations for the parliamentary and electoral framework, the Act establishes the AEC as an independent statutory body, lists its functions and prescribes in considerable detail matters such as voter eligibility criteria, how the electoral rolls (voter registers) are to be maintained, the way voting is to be conducted and even the format of various documents used in an election, including the design of the ballot papers for both the House of Representatives and the Senate. The Act also sets out the voting systems to be used for both houses of Parliament and details the process by which the boundaries of electorates are to be determined and redrawn from time to time.

The Act also regulates the funding of political parties, groups and candidates and imposes an obligation of reporting and disclosure in relation to such funding. The AEC receives and processes the various financial disclosure returns required under the Act, making them public and available for inspection at prescribed times. The Act also provides for public funding entitlements to candidates and parties on the basis of a set formula prescribed in the legislation. The Act authorizes the AEC to conduct compliance reviews and inspect the accounts of political parties. This element of the Commission's responsibilities has been the center of ongoing controversy for some time as various political parties and associated entities seek innovative ways to arrange their financial affairs to either reduce or avoid disclosure reporting under the Act.

Other Acts of Parliament relevant to the functions and operations of the AEC include:

- Representation Act (1983)
- Referendum (Machinery Provisions) Act (1984)
- Aboriginal and Torres Strait Islander Commission Act (1989)
- Workplace Relations Act (1996)

In a recent decision handed down by the High Court of Australia, the chief justice commented: "A notable feature of our system of representative and responsible government is how little of the detail of that system is to be found in the Constitution, and how much is left to be filled in by Parliament....Leaving the Parliament, subject to certain fundamental requirements, to alter the electoral system in response to changing community standards of democracy is a democratic solution to the problem of reconciling the need for basic values with the requirement for flexibility." (Gleeson CJ in *Mulbolland v AEC* [2004] HCA 41.)

#### IV. Electoral costs

### a) AEC operating costs

Based on financial statements contained in the AEC Annual Report for 2003–2004, the AEC had operating costs of A\$109 million (US\$85 million), of which approxi-

mately A\$56 million consisted of wages paid to permanent employees. Other major costs included property leases (A\$21 million), IT leasing (A\$20 million), and the provision of a vehicle fleet (A\$252,000). While operating costs for the 2004 national elections are yet to be finalized, the survey response from the AEC suggests that the costs incurred by the AEC for that event year will be A\$216 million, an amount that includes A\$42 million in public funding for candidates and political parties.

#### b) Voter registration

AEC divisional staff continually process enrollment information and enter it into the computerized Roll Management System (RMANS) in order to ensure an accurate and up-to-date electoral roll. This includes information from newly eligible voters, from voters changing addresses, and deletions related to death or changing address. Staff also process information received from Continuous Roll Update (CRU) activities and elections. Data matching programs undertaken in conjunction with other Commonwealth, state and territory authorities has also assisted the AEC in confirming enrollment details at approximately 43 percent of occupied enrollable addresses without the need for direct contact with the residents.

The AEC also provides roll products to state and territory (provincial) electoral bodies that are joint roll partners, Senators and members of Parliament, registered political parties, medical researchers, government agencies and authorities, and the public.

The costs associated with the roll administration activities in 2003-2004 amounted to A\$58 million in the period leading up to the national election, and the estimate for fiscal year 2004-2005 is A\$46 million.

# c) Boundary delimitation

To ensure that the electoral divisions (for the House of Representatives) remain equally representative (based on the principle of one vote, one value), the Act provides a comprehensive consultative process by which electoral boundaries can be amended or redrawn when population fluctuations occur within divisions. Under the legislation, redistribution is required when:

the number of parliamentary representatives to which a state or territory is entitled (calculated on a population-based formula) has changed:

the number of voters in more than one third of the divisions in a state deviates from the average divisional Enrollment by over 10 percent in three consecutive months; and

a period of seven years has elapsed since the previous redistribution.

The three members of the Commission play a central role in determining the redrawing of the boundaries. Their decisions regarding the delimitation of boundaries are final and cannot be appealed.

In the 2003–2004 fiscal year, costs associated with support of redistribution activities amounted to A\$967,000 (US\$757,000).

#### d) Polling operations

The AEC conducts parliamentary elections in accordance with the requirements of the Act, which covers planning, management, evaluation and reporting of the conduct of national elections.

Cost Category	A\$	%
Staffing at divisional (electorate) level	\$28.4 million	44.5
Advertising	\$10.4 million	16.3
Election management	\$9.6 million	15
Enquiries service (call center)	\$3.6 million	5.6
Ballot paper production	\$2.5 million	3.9
Cardboard equipment production	\$2.0 million	3.1
Forms and equipment	\$1.7 million	2.7
Production and distribution of election leaflet	\$1.7 million	2.7
Training	\$1.0 million	1.6
Automated postal voting system	\$845,759	1.3
National tally room	\$615, 270	1
Storage and distribution	\$587,776	0.9
Computer support services	\$485,003	0.8
Overseas postal voting	\$359,042	0.6

Candidates for the House of Representatives stand for single member-electorates and are elected using the majoritarian, full preferential voting system. Senators are elected using the single transferable vote' proportional representation system; candidates stand for a state or territory.

Costs associated with the conduct of elections are not available in disaggregated format for the most recent election (October 2004), but the major costs of the 2001 national election were as follows:

According to the survey response from the AEC, the areas of operation that have experienced the greatest increase in costs relate to upgrading the AEC Web site (developing the "virtual tally room"); operating the national call center; administering the 40 percent increase in the volume of postal voting; and the administration of increased volume in overseas voting, along with the attendant security issues.

#### e) External voting

In Australia, there are three forms of external voting—postal voting, pre-poll or early voting, and overseas voting.

The Act prescribes a set of criteria that a voter must meet before being eligible for a postal vote. These include living more than 20 kilometers from a polling place, illness, physical handicap, caring for a person who is ill or infirm, or inability to attend a polling place due to religious beliefs. When voters can meet one or more of these criteria, they may either apply for a postal vote—so that at election time they will automatically be sent postal ballot papers and a certificate envelope—or they can attend a polling place and lodge a vote prior to election day.

There are other categories of voters who may be eligible for non-standard voting. These include people without a fixed address, who may register as itinerant voters; people who have had their names and addresses removed from the electoral roll for security reasons (silent voters); and Australians working in Antarctica, who may also register as postal voters.

In relation to overseas voting, people already enrolled to vote at national elections and who are going overseas with the intention of returning to Australia within six years, may apply to register as an 'overseas elector.' This ensures that their names are not removed from the electoral roll and that they are able to vote while overseas. Recent legislative changes now permit Australian citizens to register to vote while overseas if they meet specific eligibility requirements. There were some 10,636 overseas enrollments for the 2001 national elections; the number of electors who voted while overseas during the 2004 election totaled 68,544.

The costs associated with the administration of these provisions for the 2003–2004 fiscal year totaled A\$1.13 million (US\$793,000).

### f) Campaign finance

The Act provides for public funding of election campaigns. Election funding is paid following each federal election, with payments made in two stages. The first payment represents 95 percent of the amount due, based on the number of votes counted as of the 20th day after the election. The second payment is the remainder due, once vote counting is finalized and verified.

Candidates and Senate groups are eligible for election funding if they obtain a minimum of 4 percent of the formal first preference vote in the division (House of Representatives) or the state or territory (Senate) in which they stand for election.

Following an election, key participants in the electoral process are required to submit to the AEC various returns disclosing certain election campaign transactions. These transactions include donations received and electoral expenditures by candidates and Senate groups; details of electoral expenditures; donations received and donations made to candidates and others by third parties; electoral advertising by broadcasters; and electoral advertisements published by print media outlets.

The amount payable is calculated by multiplying the number of eligible votes by the current election-funding rate, which for the 2004 election was set at A\$1.94 (US\$1.52) per vote. The total amount payable for that election was almost A\$42 million. (The election-funding rate is indexed every six months to increases in the consumer price index.)

# g) Political party finance

The disclosure provisions of the Act are intended to improve the integrity of the electoral process by allowing the electorate to be well informed about the major donors to political parties, groups and candidates along with the levels of some kinds of expenditures by those involved in the electoral process. The AEC receives and processes the various returns that are required under the Act, makes them publicly available for inspection (on the AEC Web site), and conducts a program of compliance reviews of disclosures made by the political parties and associated entities. The AEC's workload in administering these requirements and activities is growing and, as previously indicated, is often the subject of criticism by parties and members of Parliament who often seem interested in exposing the financial arrangements of their political opponents while seeking at the same time to limit the transparency of their own arrangements. It should be noted that in Australia there is no cap on political party or candidate expenditure.

During the 2003–2004 fiscal year, some 184 annual returns were processed; 1,190 donor returns were processed; and 102 compliance reviews were conducted.

According to the AEC Portfolio Budget Statements, costs associated with funding and disclosure activities during 2004–2005 were estimated at A\$2.8 million (US\$2 million).

# h) Civic education

There are also three Electoral Education Centers (in Adelaide, Canberra and Melbourne) that offer presentations for the public and, more particularly, school groups. Participants are introduced to Australian democracy, work with interactive computers and displays, and conduct a mock election. Some sessions are designed to meet school curriculum requirements or the needs of particular groups. In addition, AEC officers visit schools and community groups to present electoral education and information sessions.

Although the primary responsibility for civic education rests with the state and territory governments, the AEC has developed a national strategy for the delivery of public awareness programs to target groups identified as youth, indigenous groups, the homeless, non-English speaking groups, and professional organizations.

During the 2003–2004 fiscal year, some 119,837 people were recorded as having participated in educational and information sessions conducted by AEC staff and a further 109,526 people visited the Electoral Education Centers. Costs associated with the development and provision of educational services totaled A\$4.2 million (US\$3.3 million) for 2003–2004 and are estimated to be A\$5.5 million for 2004–2005.

#### i) Cash transactions

The AEC handles very few cash transactions. They consist of petty cash disbursements—limited to A\$100 (US\$78) value per transaction—for which there are established controls and accounting procedures within the organization.

#### j) Inventory control

When ballot paper is purchased, arrangements are included in the contract for the storage of unused supplies. This is treated as AEC inventory and carried on the balance sheet at cost.

#### k) New election technologies

The AEC has reported that it proposes to upgrade its Roll Management System (RMANS) and the supporting IT capacity. This will be undertaken over a four-year period and will enable the RMANS to integrate with other Web-based systems, exploit image and optical character-recognition technologies, meet e-government standards, and more easily adapt to new technologies as they emerge.

Pilot programs have been undertaken to test the use of optical scanning and character recognition to process applications for enrollment and other forms. The trials have successfully collected Continuous Roll Update (CRU) enrollment application data and transmitted the information to a RMANS test database. The results of these tests will be reported to Government by June 2005.

Over the next two to three years, the AEC will further enhance the security of its IT network with the rollout of additional network attached storage (NAS) servers to each division.

# 1) International financial assistance

The AEC does not receive international financial assistance for the conduct of elections.

# V. Overall assessment

The AEC is a modern and technologically advanced organization operating within a strong and transparent legal framework. It is accountable and open to the scrutiny of the Parliament and to ordinary citizens. It is an independent statutory body with permanent staff of 850 employees, plus an additional 65,000 part-time employees added during national elections.

The cost of operating the AEC in a non-election year is around A\$111 million (US\$87 million); the total costs in the most recent election year were double that, at A\$216 million. The accountability framework is based on regular external auditing by the Australian National Audit Office and ongoing detailed parliamentary examination of the AEC budget and its performance.

The AEC receives the major part of its funding through government appropriations, which are acts of Parliament that authorize expenditure and appropriate money from the Consolidated Revenue Fund to provide agreed levels of budget funds to govern-

ment agencies. Budget levels are agreed for the budget year and three forward years, according to the stages of the election cycle. Adjustments to funding to cover changes in operational and legislative requirements occur through a formal process of New Policy Proposals involving ministers and the Expenditure Review Committee made up of senior cabinet ministers.

Appropriations are made on an outcomes basis, and annual reporting is conducted in accordance with the outcomes and outputs framework—which includes performance indicators and targets against which performance can be assessed. Appropriations and all reporting occur on an accrual base, so non-cash expenses (such as depreciation) form part of annual funding levels.

The overall budget of the AEC has remained relatively constant over the past five years notwithstanding the installation of improved IT platforms, which have enhanced the operations of the AEC. Operational costs in a non-election year have increased by approximately 0.8 percent, and in an election year by 1.3 percent. The government and the Parliament place steady pressure on the AEC (along with other publicly funded agencies) to continually review operational performance and to contain costs. The AEC will move in the next three years to upgrade its IT capabilities and to exploit the scanning and optical character-recognition technologies to further enhance its roll management systems and its management of elections.

#### References

Australian Electoral Commission: 2003-2004 Annual Report.

Australian Electoral Commission Web site: http://www.aec.gov.au.

Portfolio Budget Statements: AEC 2004–2005 (available online at http://www.finance.gov.au).

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## About the author

Bill Gray, AM, is a former Australian Electoral Commissioner (1995–2000) and former Chairman of the Australian Electoral Council (1995–1999). Mr. Gray also represented Australia on the Council of the International Institute for Democracy and Electoral Assistance (IDEA), which is headquartered in Sweden. He has observed elections for the Commonwealth Secretariat (London) in Lesotho, South Africa, Trinidad and Tobago and Zimbabwe. On his retirement in 2000, Mr. Gray established a consulting company and has provided advice on a range of issues including the international networking of electoral management bodies and the establishment of an independent electoral commission in Australia's Northern Territory. He was awarded the Order of Australia in 1992.