

# Statement of Intent 2007-2012

**Electoral Commission**  
*Te Kaitiaki Take Kōwhiri*

Published 15 June 2007

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part 4 of the Crown Entities Act 2004  
for presentation to the House of Representatives  
by the Minister of Justice.

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6 July 2007

The Hon Mark Burton  
Minister of Justice  
Parliament Buildings  
WELLINGTON

Dear Minister

We have the honour to provide to you this Statement of Intent of the Electoral Commission for the period 2007 to 2012. The statement has been prepared and is presented in accordance with part 4 of the Crown Entities Act 2004.

Yours sincerely



Chief Judge Joe Williams  
Commissioner



Dr Helena Catt  
Chief Executive

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## Outcomes

We focus on working towards a vision that  
New Zealand's electoral framework  
and processes are widely  
used, understood, trusted and valued.

Our work contributes to ensuring that people can enjoy their civil and political rights, which contributes to part of the safer communities sub-theme within the government's strategic theme of families – young and old. Our work also contributes to the theme of national identity through maintenance of effective constitutional arrangements.

The planned impact that we will make in meeting these outcomes is that:

- we keep the use of the electoral process as easy as possible in those areas within our remit and influence its improvement where the responsibility lies elsewhere;
- we contribute to high levels of public knowledge about the mechanics and dynamics of electoral matters and opportunities to participate in them effectively.

## Context

The Electoral Commission is an Independent Crown Entity responsible for supervising parties' compliance with their statutory responsibilities and for education and information on electoral matters.

Established by section 4 of the Electoral Act 1993, the Electoral Commission came into being in 1994. The Commission is funded through Vote: Justice and the 'responsible minister' is the Minister of Justice, or an Associate Minister. Ministerial Expectations for the Electoral Commission were agreed in 1998.

The Electoral Commission is one of three agencies with a role in electoral administration. The other two agencies are:

- The Electoral Enrolment Centre, a self-contained business unit of New Zealand Post Ltd, compiles and maintains electoral rolls and conducts the Maori Electoral Option
- The Chief Electoral Office, a division of the Ministry of Justice, conducts general elections, by-elections and referendums

The Electoral Act 1993 specifies the principal functions of the Electoral Commission which shall be—

- To carry out such duties in relation to the registration of political parties and political party logos as are prescribed by Part 4 of this Act:
- To supervise political parties' compliance with the financial disclosure requirements of this Act:

- To carry out such duties in relation to Parliamentary election programmes as are prescribed by Part 6 of the Broadcasting Act 1989:
- To supervise political parties' compliance with the requirements of this Act relating to the filing of returns of election expenses:
- To promote public awareness of electoral matters by means of the conduct of education and information programmes or by other means:
- To consider and report to the Minister or to the House of Representatives on electoral matters referred to the Electoral Commission by the Minister or the House of Representatives.

Four people form the Electoral Commission which is assisted by a staff of another three people. The Commissioners are:

- The President, who must be a current or retired judge: Hon Justice Tony Ellis
- The Secretary for Justice, ex officio: Ms Belinda Clark
- The Chief Judge of the Maori Land Courts, ex officio: Chief Judge Joe Williams
- The Chief Executive, who is appointed to the full-time job by the Governor General: Dr Helena Catt

In March 2002 guiding principles of electoral administration were adopted and in 2004 these were supplemented with our other core working values. The main headings are below with the full text available on our website:

- *Independence*
- *Neutrality*
- *Service to voters, candidates and parties*
- *Professionalism*
- *Responsibility and accountability*
- *Recognition of obligations under the Treaty*
- *Creativity*
- *Ethic of Care*
- *Responsiveness*
- *Outcome focussed*
- *Public Service*

## **Environmental scan**

The following are the main external factors which we have to take into account when planning to meet our outcomes.

Turnout at the 2005 general election was higher than in 2002 but still the third lowest since 1951. This pattern is evident whether taken as a percentage of those enrolled or of the age-eligible population. Whilst there are fluctuations the overall trend is down. As well as overall levels of decline, there are particular groups within society where interest in politics, understanding of the system and participation are significantly lower than for the general population. In particular Maori, young people and Pacific peoples have lower levels of engagement. Demographic trends indicate that these groups are becoming a larger proportion of the population. Research suggests that before we can interest people in information and education about how the electoral system works, we first have to encourage their engagement with the political system.

We provide a service for political parties, MPs, journalists, teachers, students, academics, as well as for the general public. In planning we have to balance the various needs of these stakeholders and be aware of changing practices, such as the use of new technologies.

The current three agency structure is recognised as having some problems such as causing confusion for people who use our services; and making some co-ordination difficult. There are also issues due to the differences in structure and role. While the three agencies continue we need to ensure co-ordination and cooperation with the other agencies to minimise the confusion and inconvenience for people who use our services. The Taskforce on Electoral Administration recommended in 2001 that a single agency be formed. The select committee review of the 2002 general election suggested that this issue be considered as part of a fundamental review. A decision on change or continuity is for Cabinet to make. We are currently working on the assumption that there will not be a merger in the short term.

Our culture needs to be aligned with our strategic direction and we need to operate a professional organisation with a positive, user focussed approach. We need to be continually self aware with evaluation and review of our processes and operations built into the normal work routine. The routine parts of the work need to be carried out efficiently and effectively. Improved processes will free resources for other activities. We also need to be mindful that all of our actions are open to public scrutiny.

## **Managing risk and capacity**

The appropriated annual dollar amount and the extra money for the election information campaign, provided by government has not changed since the Electoral Commission was created in 1994. During that time some of the costs associated with our work, such as the costs of creating and placing TV advertisements have risen steeply. Extra funding has to be sought in the context of the overall Justice sector where we have to compete against agencies and projects which are more closely aligned with the core objectives and outcomes of the justice sector. To minimise the impact of declining buying power we have to be vigilant in ensuring efficient spending, make savings and raise revenue wherever possible and take every opportunity to seek and justify an increase in funding. If funding for the election information campaign is not increased for future elections then the Electoral Commission will not be able to run an information campaign of equal reach and penetration as in 2005. In consequence we will not be able to deliver an MMP information campaign that achieves a level of 80% of the public understand the role of the votes at the time of the election. Without the reinforcing presence of the official information on MMP there is a strong risk of public acceptance of mis-representations (deliberate and non-deliberate) of MMP.

Outside of the election information campaign, our resources, both staff and money, are limited and will continue to be. On our current budget 88% is taken with salaries and operating expenses leaving less than \$100,000 for projects. As a consequence we are very reliant upon the skills of existing staff to provide all expertise needed in undertaking our

education and research work. Many projects that could be implemented to meet our vision cannot be funded within this budget. Failure to gain extra funding places restrictions upon the projects that we can implement and therefore the impact that we can achieve.

There are no other major or imminent risks to be managed but a number of areas could become risks in the future and need to be monitored. Being able to monitor the risk is a major aspect of our capacity needs.

Our work has to be, and be perceived to be, independent of political control. The ways in which independence is understood and guaranteed has a significant impact on how we operate. Legislation prescribes our role and details of how we perform certain tasks. We need to ensure that we have the capacity to participate in any discussions around independence and changes to electoral legislation in a useful and effective manner.

We need to manage effectively a range of relationships with the other electoral administration agencies, with other government agencies and with our other stakeholders. Bad or ineffective relationships with any of these entities can severely hamper us in meeting our goals.

As a small organisation with a broad role and an effective three year operational cycle, we need to ensure that we have the capacity amongst our staff to deal flexibly with the full range of work that we cover. With a small staff everyone needs to be able to undertake a number of different roles. Staff training and development is therefore an important factor in fulfilling our mission.

With a small team and a three year election cycle, succession planning is always an issue. The current terms of the President and the CEO expire on:

- CEO - 28<sup>th</sup> February 2007
- President – 1<sup>st</sup> May 2008

In all cases the possibility of risk is managed by being aware of them, monitoring any decision that will have an impact and talking regularly to those whose decisions can exacerbate or mitigate the risk.

## Intervention logic

To ensure that use of electoral processes are easy for the users we need to understand what factors act as incentives and disincentives to people participating. The main users of the processes that are in our control are current and prospective political parties.

To contribute to high levels of public knowledge about elections and to encourage effective participation we need to understand what motivates people to take an interest in politics and to participate. In this case the audience is wide including all current and prospective New Zealand voters plus those in other countries who seek our assistance.

To understand individual and collective motivations we use ideas from the international research literature particularly from political science and social marketing. We always work from a research basis and use local research relating to the New Zealand specifics whenever possible. When there is no quality research we commission or encourage relevant research.

Efficacy is the main idea we take from political science. Those with high efficacy get involved in politics and those with low efficacy do not. It is a state of mind, a habit and a self-fulfilling prophecy. Once people start to participate then their participation and their efficacy will be higher and likewise those who get into the habit of not participating will not build efficacy. Those with high political efficacy have the following three inter-related beliefs:

- I understand politics
- I am interested in politics
- I can be heard and make an impact on political decision

Two other theories from political science relate to efficacy and its impact on participation. Putnam's social capital work (2000) argues that communities with higher levels of social capital will be interested in politics and so participate. Social capital is a measure of the extent to which individuals are connected to others. Franklin (2004) argues that interest in politics is heavily influenced by the closeness of the election race and the extent to which people think that there is a difference between the major parties.

From the social marketing literature we use Andreasen's (1995) individual behavioural change model which says that when people change their behavior they pass through a number of steps. We recognize that those who are using our material may be at any one of those stages, so the materials that we provide and the activities that we design need to have meaning to people in any of these stages and to help them move to the next stage. The key steps that an individual moves through are:

- pre-contemplation – before any action is considered
- contemplation – thinking about the action
- preparation – gathering necessary information and skills
- action
- reinforcement – positive reflection upon the action and believe in its worth

The population behaviour change model as outlined in the WHO's Ottawa Charter for Public Health (1986) lists the five conditions that are necessary for a population to adopt and maintain a desired behaviour. As our vision and impact involve shifts in the level of public political participation we need to be aware of all conditions and to work on those areas that are not aligned with the desired change. The five conditions are:

- appropriate policy design
- appropriate institutional design so that laws, structures and practice actively encourage change and at the least do not discourage change
- strong community action

- individual skills that are needed for each to participate, including information and personal efficacy
- a supportive social environment

Taken together we understand that encouraging widespread use, understanding, trust and value of our electoral framework requires behavioural change by individuals and the population as a whole. Such changes are based upon shifts in interest and empowerment as well as in knowledge. This kind of change take time and is not always easy. Given that we are a small organisation we need to work with others wherever possible in meeting our goals. We also need to concentrate our efforts on informing those who will have an impact on a far wider audiences, such as journalists and teachers.

Levels of political engagement seem to be lower amongst Maori, those under the age of 29 and those who identify as pacific peoples. Therefore projects targeted at these audiences have priority. One way to target young people is to work through schools so this is one area of concentrated work.

## **Activities 2007-2012**

Applying the intervention logic to our output classes and mindful of the environment scan and risks the planning of activities follows the following tenets:

- provide good information for all and add targeted projects for those with lower levels of participation and understanding
- work with others and especially those who can reach a large audience
- routinely assess all procedures and projects
- maintain capacity to provide excellence service in all areas in compliance with the guiding principles of electoral administration

The activities are provided in a tabular form. Table 1 lists the medium term activities under each output class and notes for each which of three activity categories applies and the review schedule. The activities listed in the tables cover both outputs (goods and services) and objectives (goal or aim, other than an output, that will contribute to an impact eg quality, timeliness, take-up of an output, efficiency).

## **Non- financial measures of impact, outcome and output**

All activities fall into one of three categories each of which has a generic measurement of output and of objectives.

### ***Resources – both existing and new***

- Output is that the resource exists and is measured by identifying the resource
- Objective is good quality resources that are used. Success is measured through usage statistics and a schedule of reviews which will include the potential audiences.

### ***Review process of administrative work***

- Output is that there is a stated process
- Objective is good quality administration that meets our guiding principles of electoral administration and core working values. These are measured through a schedule of reviews.

### ***Capacity***

- Objective is to have the capacity to carry out the work and is measured through a schedule of reviews.

All three types of activity are measured through a review schedule. For such reviews to be worthwhile they have to involve assessment from outside of the Electoral Commission and be conducted in a robust manner. Reviews are being used for measurement because they provide detailed information that can be used to make changes. In contrast an annual count of usage or reports on solicited comments of satisfaction provide little more than the ability to tick a box and have no added value in maintaining accountability and quality.

These reviews have costs in time and money. In order to balance the need to be accountable for quality with the small size of the organisation it seems appropriate to have a review schedule so that each aspect of the work of the commission is reviewed fully once every 6 years and lightly in the mid point between the full reviews. The schedule has fewer reviews in an election year as the commission has more statutory responsibilities during and immediately after an election. Even with this schedule the cost is estimated to be \$20,000 per year (3% of annual budget).

Each year the detailed definition of success would be set for the reviews to be carried out that year. Broadly the measures would be that the review was carried out with external involvement and that the results either indicated alignment with the guiding principles and/or that plans were in place to remedy identified problems.

**Table 1 Medium term activity by output class**

			<b>Review Schedule</b>					
		<b>Activity Category</b>	06/07	07/08	08/09	09/10	10/11	11/12
<b>Output class 1 - Organisation and capacity in place to support other output classes</b>								
1.	A website that meets e-government guidelines and best practice	resource		XX			X	
2.	A review process and cycle for all administrative tasks, to assess adherence to the Guiding Principles of Electoral Administration, and to improve efficiency, quality and cost effectiveness	review process		XX			X	
3.	A process for benchmarking our work against best practice in public service, electoral administration and electoral education nationally and internationally	review process		XX			X	
4.	Capacity to contribute to New Zealand policy process on electoral matters including through the provision of information on international electoral administration practice, debates and research	capacity	XX			X		

<b>Output class 2 - Application of the provisions of the Electoral Act relating to political parties</b>								
1.	A review process and cycle for all related tasks, to assess adherence to the Guiding Principles of Electoral Administration, and to improve efficiency, quality and cost effectiveness	review process		XX			X	
2.	Clear, accessible information on how to register and de-register a party, a party logo, and on the statutory obligations of registered parties	resource		X			XX	

*Note XX indicates a full review and X indicates a light review*

			<b>Review Schedule</b>					
		<b>Activity Category</b>	06/07	07/08	08/09	09/10	10/11	11/12
<b>Output class 3 - Provision of advice on electoral matters</b>								
1.	Capacity to respond efficiently to ministerial, parliamentary and select committee requests for information and advice	capacity	XX			X		

<b>Output class 4 - Responding to international requests for information and assistance</b>								
1.	Clear public information on the New Zealand experience of changing the electoral system suitable for an overseas audience	resource				X		
2.	Presentations on the New Zealand experience of changing the electoral system, and on the education and information work of the Electoral Commission	resource				X		
3.	Capacity to accept requests to assist with democratic capacity in other nations, in line with New Zealand's policy and programmes	capacity	XX			X		

			<b>Review Schedule</b>					
		<b>Activity Category</b>	06/07	07/08	08/09	09/10	10/11	11/12
<b>Output class 5 - Promotion of public awareness of electoral matters</b>								
1.	Clear public information on MMP and on electoral matters	resource		X			XX	
2.	Resources, programmes and professional development on electoral matters for the education sector, the news media and groups where levels of understanding or use are significantly lower than for the total population	resource	X			XX		
3.	Research reports on understanding and use of the electoral system by the New Zealand public as a whole and those groups with lower levels of understanding and use	resource			XX			X
4.	Briefings on relevant research conducted by others in New Zealand and internationally on understanding and use of the electoral system	capacity	XX			X		

5.	Prizes and scholarships that encourage work which contributes to our vision	resource			X			XX
6.	Capacity to respond to questions on electoral matters through maintenance of on-line information and appropriately skilled and knowledgeable staff	capacity		XX			X	
<b>Output class 6 - Information and education specific to the next general election</b>								
1.	In the months prior to each general election, a public information campaign on MMP delivered credibly and cost effectively.	resource	X			XX		
2.	Sound strategic planning and project management of the public information campaign	capacity	XX			X		
<b>Output class 7 - Allocation of election broadcasting time and funds in accordance with the provisions of the Broadcasting Act 1989</b>								
1.	review process for all related tasks, to assess adherence to Guiding Principles of Electoral Administration, efficiency, quality and cost	review process		XX			X	

## **Financial measures of future performance**

All work will be managed within budget.

## **Ministerial consultation and notification**

The Electoral Commission operates a 'no surprises' relationship with the Minister. We notify the Minister immediately of any matter that may arouse media, public or parliamentary attention or questions. We brief the Minister where appropriate of major projects or events. We report regularly to the Minister, through the Ministry on routine activities. We provide the Minister with a copy of reports supplied to Parliament and of reports that we release.

As an Independent Crown Entity we are required to act independently in carrying out statutory functions and exercising statutory powers. We consult with the Minister as required in the Crown Entity Act.

## **Year 20067/08 Deliverables**

The output and objectives for 2007/08 are provided in tabular form. Table 2 lists the specific projects to be given priority in 2007/08, including the measurement to be used for related outputs and objectives. This table should be read in conjunction with Table 1 which details the review cycle and the medium term plans for each output class. Table 3 completes the picture by listing those outputs and measures that are ongoing and will be included in the Annual Report.

Some output classes do not have a specific output or objective listed in Table 2. There are two reasons for these omissions. Output class three is covered in the list of statistics that will be reported in the Annual Report. Output class seven is not included because this output class only occurs in an election year.

**Table 2 - Specific projects in 2007/08**

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	<b>Output Measurement</b>	<b>Objective Measurement</b>
Output class 1, point 2: create review process of administrative tasks	review process exists and has been applied	<ol style="list-style-type: none"><li>1. in the review all processes were deemed to be 'satisfactory' or better</li><li>2. plans have been made to remedy any identified problems</li></ol>
Output class 2, point 1: create a review process of all administration relating to parties	review process exists and has been applied	<ol style="list-style-type: none"><li>1. in the review all processes were deemed to be 'satisfactory' or better</li><li>2. plans have been made to remedy any identified problems</li></ol>
Output class 5, point 1: Provide audio version of key public resources	resource exists and is available to the public	usage statistics
Output class 5, point 2: create a professional development resource for trainee journalists	resource exists and is publicly available	usage statistics
Output class 5, point 3: Produce a research report on non-voters	Report is published	usage statistics on research report
Output class 6, point 1: Information campaign on MMP for next election is ready	Campaign plan exists	
Output class 7: Preliminary allocation made	Allocation decision has been published	

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**Table 3 - The annual report will include information on**

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The annual report will report on details of the following or note if they do not exist

- Website with information on the work of the commission
- Information for parties on how to register and de-register a party and a logo
- Information for parties on the statutory obligations of parties
- Public information on MMP
- Resources on electoral matters for use in schools
- Resources on electoral matters for journalists and trainee journalists
- Publicly available research reports on matters relating to the work of the commission
- Briefings on relevant research conducted by others
- Prizes and scholarships
- A contingency public information campaign on MMP

The annual report will provide the following facts of public record

- Number of registered political parties
- Number of registered party logos
- Summary of activity relating to parties' statutory obligations
- Number of referrals to the police

The annual report will provide the following statistics indicating performance of the commission

- Number of reports to parliament and answers to parliamentary questions
  - Number of presentations made to groups in New Zealand and overseas
  - Number of requests for a presentation that were declined
  - Usage statistics on web based resources
- 

Note that Table 3 does not include projected values because the items concerned are demand driven. As the Electoral Commission has no control over the demand, a rise or fall in these values is in no way a measure of the work of the Electoral Commission. For comparison the Annual Report will provide the equivalent values, where we have them, for last year and for the equivalent year in the previous election cycle.

Table 4 indicates the assigned cost of each output class. Staff time has been allocated on a proportion basis between the output classes and general administration, based on best estimate. The staff costs of each are apportioned accordingly. Staff costs cover salary and related (eg ACC) plus 29% of all operating costs. The general administration costs are all of the staff costs of the Office Manger plus the apportioned staff costs of the other three staff members.

Revenue is not shown as assigned across output classes because in 2007/08 all revenue relates to the work of the Electoral Commission as a whole rather than to a particular activity or output class.

**Table 4 output class by expenditure**

	percentage of time spent on each output 2006/2007			staff cost \$	specific budget \$	total \$	% of total expend
	CEO	Comm's	SRM				
1 Organisation and capacity in place to support other output classes	20	15	10	54,388	8,000	62,388	8.5
2 Application of the provisions of the Electoral Act relating to political parties	1	1	35	22,495	20,000	42,495	5.8
3 Provision of advice on electoral matters	12	5	12	31,402	1000	32,402	4.4
4 Responding to international requests for information and assistance	10	10	2	28,387		28,387	3.9
5 Promotion of public awareness of electoral matters	35	50	0	112,722	197,000	309,722	42.4
6 Information and education specific to the next general election	8	12	0	26,425		26,425	3.6
7 Allocation of election broadcasting time and funds in accordance with the provisions of the Broadcasting Act 1989	4	2	5	11,417	10,000	21,417	2.9
						0	

total on output classes	90	95	64			0	0.0
organisational/accountability	10	5	36	70,918	136,455	207,373	28.4
						0	
Grand total	100	100	100	358,154	372,455	730,609	100.0

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## **Financial forecasts for year ended 30 June 2008**

### **Statement of Underlying Assumptions, for the year ended 30 June 2008**

#### ***Significant assumption***

The forecasted statements are based on un-audited results for 2006/2007. The actual results for April, May, and June 2007 are unavailable, and therefore, the balance as at 30 June 2007 has been estimated using April, May, and June 2007 budget figures.

#### ***Other assumptions***

These forecast financial statements comply with generally accepted accounting practice. The measurement base applied is historical cost.

The accrual basis of accounting has been used in the preparation of these forecast financial statements.

### **Nature of Forecasted Financial Statements, for the year ended 30 June 2008**

The forecasted financial statements have been prepared as a best efforts indication of Electoral Commission's future financial performance. Actual financial results achieved for the period covered are likely to vary from the information presented, potentially in a material manner.

### **Statement of Accounting Policies, for the year ended 30 June 2008**

#### ***Reporting entity***

These are the forecast financial statements of the Electoral Commission, a Crown entity in terms of the Public Finance Act 1989.

These forecast financial statements have been prepared in accordance with section 41 of the Public Finance Act 1989.

#### ***Measurement system***

The financial statements have been prepared on an historical cost basis.

#### ***Accounting policies***

The following accounting policies, which materially affect the measurement of financial performance and financial position, have been applied.

#### ***Revenue***

The Electoral Commission derives revenue through the provision of outputs to the Crown, from cost recovery for the provision of services to third parties and from investment income. Such revenue is recognised when earned and is reported in the financial period to which it relates.

#### ***Fixed assets***

The initial cost of a fixed asset is the value of the consideration given to acquire or create the asset and any directly attributable costs of bringing the asset to working condition for its intended use. All fixed assets are recorded at historical cost less depreciation.

### ***Depreciation***

Fixed assets are depreciated at rates that will write off the cost of the assets to their estimated residual value over their useful life. The useful lives and associated depreciation rates used in the preparation of these statements are as follows:

Furniture and fittings	5 years	20% straight line
Computer equipment	3 years	33% straight line
Office equipment	5 years	20% straight line

### ***Investments***

Investments are stated at the lower of cost and net realisable value. Any write-downs are recognised in the statement of financial performance in the period in which they occur.

### ***Employee entitlements***

Provision is made in respect of liability for annual leave. Annual leave is expected to be settled within 12 months (or approval gained to carry forward leave) of reporting date, and is measured at nominal values on an actual entitlement basis at current rate of pay.

The Electoral Commission does not provide long service leave or retirement leave.

### ***Goods and Services Tax***

The financial statements are prepared on a GST exclusive basis, except accounts receivable and accounts payable which are prepared on a GST inclusive basis.

### ***Taxation***

The Electoral Commission is a public authority in terms of the Income Tax Act 1994 and consequently is exempt from income tax.

### ***Leases***

The Electoral Commission leases office premises, a photocopier, and a telephone system. As all the risks and ownership are retained by the lessor these leases are classified as operating leases. Operating lease expenses are recognised on a systematic basis over the period of the lease.

### ***Financial Instruments***

The Electoral Commission is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

### ***Statement of Cash Flows***

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance.

Definitions of the terms used in the statement of cash flows are:

“Cash” includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash and includes at call borrowings such as bank overdrafts, used by the entity as part of its day to day cash management.

“Investing activities” are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

“Financing activities” are those activities relating to changes in equity of the entity.

"Operating activities" include all transactions and other events that are not investing or financing activities.

***Changes in accounting policy***

There have been no changes in accounting policies since the date of the last audited financial statements. The policies have been applied on bases consistent with other years.

**Table 5 Forecast financial performance for the year ended 30 June 2008(GST excl.)**

	\$	\$
<i>Income</i>		
Government grants:		
For general business	734,000	
Other income	-	
Interest	30,000	
<i>Total Income</i>		<i>764,000</i>
 <i>Expenditure</i>		
Operating costs	316,582	
Audit fee	15,000	
Depreciation	30,000	
Rent	64,000	
Leasing	6,743	
Personnel	419,342	
 <i>Total Expenditure</i>		 <i>851,667</i>
 <b><i>Net surplus / (Deficit)</i></b>		 <b><i>(\$87,667)</i></b>

**Table 6 Forecast financial position for the year ended 30 June 2008 GST excl.)**

	\$
CURRENT ASSETS	
Cash and bank accounts	304,536
FIXED ASSETS	
	108,665
Total assets	<u>413,201</u>
CURRENT LIABILITIES	
Accounts payable and Accruals	97,838
CROWN EQUITY	315,363
TOTAL FUNDS EMPLOYED	<u>413,201</u>

(Note: Estimates are based on anticipated unaudited results for 2006/2007. The actual results for April, May and June 2007 are unavailable, and therefore the balance as at 30 June 2007 has been estimated using April, May and June 2007 revised budget figures).

**Estimated Statement of Financial Position as at 30 June 2007**

	ACTUAL	ESTIMATE
	March 2007	June 2007
Total current assets	684,966	362,203
Total Fixed assets	138,665	138,665
Total assets	<u>823,631</u>	<u>500,868</u>
Less Current Liabilities	97,838	97,838
Total Liabilities	<u>725,793</u>	<u>403,030</u>

***Change in Total Assets from March to June 2007*      322,763**

**Table 7 Forecast cash flow for the year ended 30 June 2008(GST excl.)**

	\$	\$
Cash flows from operating activities		
Cash will be provided from:		
Government Grant and other sources	734,000	
Other revenues	-	
Interest	30,000	
Net GST	-	
Total Income	<hr/>	764,000
Cash will be applied to:		
Payments to Commissioners and employees	419,342	
Payments to suppliers	402,325	
Net GST paid	-	
Subtotal	<hr/>	821,667
Net cash flows from operating activities		<hr/> <hr/>
		(57,667)
Cash flows from investing activities		
Sale of fixed assets	-	
Purchase of fixed assets	-	
Net increase / (decrease) in cash held	(57,667)	
Plus opening cash balance	<hr/>	
		362,203
Closing cash balance		<hr/> <hr/>
		304,536

*(Note: Estimates are based on anticipated unaudited results for 26/2007.*

*The actual results for April, May and June 2007 are unavailable, and therefore the balance as at 30 June 2007 has been estimated using April, May and June 2007 revised budget figures).*

**Table 8 Forecast Statement of Movements in Equity for the year ended 30 June 2007 (excl. GST)**

	\$
Crown Equity at start of financial year	403,030
Operating surplus (deficit for the year)	<u>(87,667)</u>
Total recognised revenues and expenses for the year	(87,667)
Crown Equity at the end of the financial year	<u><u>315,363</u></u>

*(Note: Estimates are based on anticipated unaudited results for 206/2007. The actual results for April, May and June 2007 are unavailable, and therefore the balance as at 30 June 2007 has been estimated using April, May and June 2007 revised budget figures).*

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