SCOPING OF ONLINE VOTING FOR LOCAL AUTHORITY ELECTIONS

Proposal
1. I seek Cabinet agreement to announce a working party, with membership from across government and local authorities, to consider and recommend options for introducing online voting for local authority elections. Subject to Cabinet agreement, the announcement will be made through a media release from my office.

Executive Summary
2. The public’s changing expectations for access to public services is a major driver of the need for innovation and transformation in service delivery. There have been calls from the Justice and Electoral Committee, some local authorities, Local Government New Zealand and the New Zealand Society of Local Government Managers to conduct a trial of online voting for local authority elections.
3. Online voting presents an opportunity to:
   - make voting more convenient, inclusive and accessible for electors, particularly disabled and young electors, and reduce voting errors;
   - respond to the demand for change and address issues for local authority elections such as low elector turnout and possible postal service reductions; and
   - improve elector authentication by harnessing the RealMe system, which enables individuals to assert their identities online when accessing identity sensitive services.
4. Online voting technology for public elections is still relatively new internationally. Its use is currently limited, but there is increasing interest, particularly for use in local government elections. Overseas experience shows that it takes several election cycles with online voting to build public confidence in the method and rates of usage.
5. I intend to form a working party with membership from government and local authorities and with Information Communication Technology expertise to consider and report back on online voting for local authority elections.
6. The aim of this work will be to enable a live trial of the voting method at the 2016 local elections, subject to due diligence and affordability considerations. I intend to use this work to inform the next policy steps.
Background

7. Online voting broadly encompasses the electronic method of voting that allows an eligible elector to log on to a secure website to access, complete and submit his or her ballot. Online voting is similar to postal voting, in that it is a remote and unsupervised voting method (i.e. electors, with access to the internet and an appropriate device, can vote from any location).

8. Local authority elections comprise the election of members to local councils, district health boards and alcohol licensing trusts. The Local Electoral Act 2001 (LEA) provides the framework for the conduct of local authority elections. The LEA enables regulations prescribing electoral procedures. It specifically enables regulations to prescribe electronic voting methods for local authority elections.

9. The postal voting method is used for local authority elections. The strengths of postal voting compared to booth voting are that it is a cost effective way of casting a ballot, a relatively easy-to-use service and it has been known to contribute to higher elector turnout at local authority elections.

10. There are security and fraud risks with postal voting. Postal voting does not provide a strong means of elector authentication and ballots are potentially vulnerable in the postal system. These risks are generally tolerated for local authority elections largely because there is confidence in the method and because of its cost effectiveness. Voting fraud is covered by offence provisions in the LEA.

11. However, there are current and emerging issues with the potential to undermine confidence in postal voting for future local authority elections, including:
   • increasing demand by local authorities to allow online voting at local authority elections;
   • relatively low elector turnout rates at local authority elections (elector turnout was 49 per cent in 2010, 44 per cent in 2007 and 46 per cent in 2004);
   • falling postal volumes and possible postal service reductions (due to growing digital communication); and
   • frequent voter errors on voting documents.

12. New Zealand already permits electors who have a RealMe logon to update their electoral enrolment details online. Cabinet has also approved drafting of an Electoral (Administration) Amendment Bill that will enable electors with a RealMe verified identity to enrol online. The bill will be introduced shortly and implemented in time for the 2014 general election.

13. Online passport renewals and the online census completion option in 2013 are other examples of popular and successful digital services involving sensitive information. Currently, 33 per cent of all eligible adult passport renewal applications are completed online. For the 2013 census, about 35 per cent of all census forms submitted were submitted online.

Opportunity for online voting to improve future local authority elections

15. Changing expectations of how people want to access public services is a major driver of the need for innovation and a transformation in service delivery. The way that electors vote at local authority elections is also subject to changing expectations.

16. The Justice and Electoral Committee report into the 2010 local authority elections recommended that the Government consider a trial of online voting at the 2013 elections. There is also increasing demand from local authorities for regulatory change to allow online voting at local authority elections. The current advocacy in local government and the community demand for change to accommodate online voting is likely to gather momentum.

17. I consider that online technology has strong potential to mitigate many of the risks and issues with postal voting and to enhance convenience and ease of voting for electors. Online voting provides an opportunity to improve the operation of local democracy at future local authority elections, with benefits for electors. The improvements and benefits include:

- making voting more convenient, inclusive and accessible for electors;
- better enabling electors with certain disabilities to vote independently;
- better engaging young electors;
- reducing the incidence of voting errors by electors (which can invalidate voting papers);\(^1\)
- future proofing local democracy by responding to the demand for change and addressing emerging issues for local authority elections and postal voting; and
- improving elector authentication by harnessing the RealMe system, which enables individuals to assert their identities online when accessing identity sensitive services.

18. I am keen to see online voting implemented and available as a means of casting a vote on a live trial basis for the 2016 local authority elections (meaning online votes cast are officially counted). A number of councils, including Porirua City Council and the Auckland Council, and the key sector bodies, Local Government New Zealand and the Society of Local Government Managers, have all indicated support for achieving this goal (including an indication of some financial support). The purpose of a live trial would be to provide an opportunity to build sector experience and assess the operation of the voting method and limit implementation risks.

19. The framework and context for the conduct of local authority elections is different to Parliamentary elections. The degree of public demand for online voting in Parliamentary elections is currently unknown. I am also keen for any online voting system to have options that ensure that citizens who either do not have internet access or are not technologically savvy can participate in the process. Issues of access are considered below (see paragraphs 30 and 31).

\(^1\) An online ballot may be designed not to permit informal voting (i.e. an incorrectly completed voting paper). Informal votes are not counted. At the 2010 local elections, 1.7 per cent of votes cast overall were informal votes. Informal votes were higher for District Health Board elections, making up 6 per cent of all votes cast.
20. Accommodating online voting for local authority elections may drive and inform future demand for online voting at Parliamentary elections. It may also drive demand for online voting at School Boards of Trustee elections.

Experience with online voting

21. Online voting has been used for public elections overseas. It is a relatively recent technological development and its use is currently limited, but there is increasing interest, particularly for use in local government elections. Overseas experience shows that it takes several election cycles with online voting to build public confidence in the method and rates of usage.

22. A trial of technology assisted voting was undertaken at the New South Wales State General Election in 2011. The trial involved online voting and electronic kiosk voting. It targeted electors with disabilities, electors living in remote parts of the state and electors who were out of state at the time of the election (including those on military deployment overseas). An independent evaluation of the trial concluded that the new voting methods were effective and elector participation rates were successful (although the number of voters with a disabilities participating was lower than estimated). Other overseas jurisdictions which have successfully trialled or are using online voting for local government elections include Canada, Estonia, Norway and Switzerland.

23. The Society of Local Government Managers has advised that online voting has been used by universities, producer boards, iwi, energy trusts and farming organisations in New Zealand for electoral purposes. These examples have been non-regulated, relatively low profile and lower-risk undertakings. The online voting services in these cases have been provided by electoral service companies currently involved in aspects of the conduct of local authority elections.

Matters requiring further consideration

The cost of online voting

24. The cost of online voting will be assessed as part of the next phase of work. This exploratory next phase of policy work will be undertaken within departmental baselines. However, any subsequent work to establish online voting would require investment in new electoral infrastructure. This would likely initially add to the cost of local authority elections. Currently under the LEA, local authorities must meet the cost of their elections. Implementing and monitoring online voting may also have cost implications for the Department (and the Crown).

25. While there will be initial introduction costs, the exact costs will depend on the number of local authorities using the system, the technology used and audit and security requirements.

26. The total additional cost of the pilot of online voting at the 2011 New South Wales State Government elections was approximately $4 million, or $84 per online vote submitted. By comparison, the total cost to local authorities conducting the 2010 local authority elections in New Zealand was $13.73 million.

27. Overseas experience indicates that online voting has the potential to deliver longer-term cost savings. In New Zealand’s case, there are savings that can be achieved by reducing manual handling and processing of ballots and postage.
costs. Online voting can only be implemented if it is affordable. Further work is needed on matters of cost and funding options.

Potential security issues with online voting

28. Online voting introduces new security and operational risks to the local electoral system that would need to be managed. For example, an online voting system is potentially vulnerable to:
- service design flaws, bugs and other technical faults; and
- fraudulent voting and fraudulent voting system interference (for example, hacker attacks).

29. Public confidence and trust in elections would be undermined if there were technical or security problems with online voting. Robust regulations, extensive risk mitigation, security and audit measures are necessary to ensure reliability, accuracy and integrity of any online voting system.

Issues of access to online voting

30. A proportion of eligible electors will lack the resources, interest or skills to vote online. In 2012, one out of five New Zealand homes did not have an internet connection according to information published by Statistics New Zealand. The three main reasons these homes did not have an internet connection were a lack of interest in being connected, the costs associated with an internet connection, and a lack of confidence, knowledge or skills. Ensuring these electors continued ability to vote is paramount. This would likely require the continued availability of paper based voting options at local authority elections for the foreseeable future.

31. In my view, kiosk voting options in public places for electors may be required to ensure access to voting. Any online voting system must also be simple for electors to use.

Dual voting systems and judicial scrutiny

32. Any online voting system would need to support the First Past the Post and Single Transferable Vote voting systems in operation at local authority elections, and allow for judicial vote recounts in disputed elections.

Next steps

33. I am particularly keen to see regulatory change to enable the use and realise the potential of online voting at the 2016 local authority elections. I intend to direct the Department of Internal Affairs to lead the policy work necessary to achieve this goal. It will require significant levels of collaboration with government agencies including the Ministry of Justice, the Ministry of Health and the local government sector.

34. As a first step in this policy process, I intend to form a working party (supported by the Department of Internal Affairs) with membership from across government and local authorities, and with Information Communication Technology expertise. The working party will be tasked with considering and reporting back on matters of enabling online voting for local authority elections, specifically:
- the different options for online voting;
- the experience in other jurisdictions;
- the availability and suitability of different software products on the market;
• affordability, costs and savings;
• security, integrity and access issues;
• integration with the First Past the Post and Single Transferable Vote voting systems;
• ensuring that results are auditable;
• a trial, including possible partner local authorities; and
• legislative implications.

35. The conduct of the upcoming local authority elections in October may delay the formation and report of the working party. I intend to use this work to inform the next policy steps.

36. The broad membership of the proposed working party means that aspects of its work may attract media attention and become publicly known. Locally elected members may also seek to politicise online voting. Matters such as these will need to be carefully managed.

Financial Implications

37. This proposed first phase of policy work is exploratory. The proposed work does not have direct or immediate additional costs outside baselines, or regulatory implications for the Government or local authorities.

38. However, any subsequent work arising from the working party’s recommendations (for example, to develop, test and implement a trial of online voting system for the 2016 local authority elections) could necessitate some Crown funding.

39. Online voting can only be implemented if it is affordable. My report back to Cabinet will address this and possible cost implications for the Crown and funding models.

Consultation

40. The Ministry of Health, the Ministry of Justice, the Treasury and Electoral Commission were consulted on this paper. The Department of the Prime Minister and Cabinet and the Ministry of Education were informed.

Legislative Implications

41. None at this stage.

Regulatory Impact Analysis

42. None required at this stage.

Human Rights

43. The proposals in this paper are not inconsistent with the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and Human Rights Act 1993.

Publicity

44. I propose to announce the formation of a working party with membership from across government and local authorities as early as possible through a general media release from my office.
Recommendations

45. The Minister of Local Government and Internal Affairs recommends that the Committee:

1. **note** that enabling online voting for local authority elections is an opportunity to enhance and modernise the operation of local democracy and enhance the ease and overall experience of voting for electors;

2. **note** that a working party will be formed with membership from across government and local authorities to consider and recommend options for introducing online voting for local authority elections, with the aim of enabling a trial of online voting at the 2016 local authority elections;

3. **note** that work referred to in recommendation two will include assessing implementation costs and legislative implications of online voting;

4. **note** that the Minister of Local Government and Internal Affairs intends to announce a working party, with membership from across government and local authorities, to develop proposals on online voting for local authority elections.

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Hon Chris Tremain  
Minister of Local Government  
Minister of Internal Affairs