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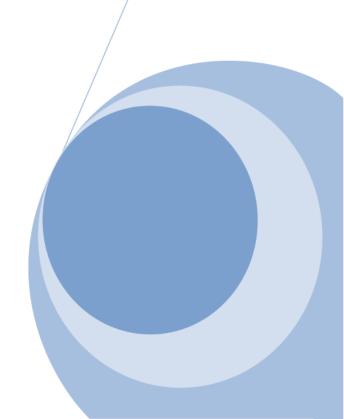


Joint Standing Committee on Electoral Matters 2014 Submission.

Independent submission on behalf of Australian electors.

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Phillip Murphy - Master of Management Enterprise February 24, 2014



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Introduction.

This submission, compiled from public documents, will define the current profile of the Australian electors, and the technology possibilities to facilitate E-voting to the entire Electorates, at no machine cost to the electors or government. Further the submission will simplify the process whereby the missing 2,236,149 voters can indeed be found, again at no cost to the taxpayer.

Executive summary.

The majority of electors today are Generation "X" and Generation "Y". These groups collectively are intimately familiar with Telecommunications, Internet and Information Technology; to the extent they are dependent upon them for work and their personal life management. Electors are not afraid of technology and in fact utilise the technology daily to conduct their financial affairs in secure environments as well as communicating with government departments, like electors updating address details electronically. The implementation of the National Broadband Network infrastructure will only serve to support the already capable ICT facilities commercially available within Australia.

It is expected with the next 4 months the highly paid management of the AEC action the recommendations below to install a fully functioning E-voting system for the Australian Electors, meeting their charter as well as saving the Australian Taxpayer the majority of the \$214 million dollars Spent in 2010 or \$309 million Spent in 2013 for Election Management.

By applying the same solution at State and Local elections, even further savings can be achieved, immediately.

The Australian Electoral Commission

"The Australian Electoral Commission (AEC) is responsible for providing the Australian people with an independent electoral service which meets their needs and encourages them to understand and participate in the electoral process."

Election costings

The government committed to reviewing the arrangements for the costing of election commitments under the Charter of Budget Honesty Act 1998. In the 2010-11 Budget, funding was provided to the Department of Parliamentary Services, for the Parliamentary Library to assist non-government parties to develop policies in the lead up to federal elections.

In the 2010 Federal Election AEC staff, including around 67 000 temporary employees, worked at over 7 500 polling places around Australia on election day. Polling was also conducted in 103 overseas posts and five overseas Australian Defence Force locations.

In the 2013 Federal Election AEC staff, including around 70,000 temporary employees, worked at over 8,266 polling places around Australia on election day.

| 2010/2011 | |
|---------------------------|-------------|
| INCOME | |
| Appropriations | 204,258,000 |
| OUTGO | |
| Employees | 119,279,000 |
| Suppliers | 110,589,000 |
| 2013/2014 | |
| INCOME | |
| Appropriations | 389,879,000 |
| OUTGO | |
| Employees | 125,414,000 |
| Suppliers | 161,288,000 |
| Electoral Roll Management | 53,472,000 |

Political Party Benefits

From the appropriations budget for Federal elections in 2010, political parties received election funding of \$53,163,385.36.

Potentially further payments for the additional 3,883,213 voters could be paid.

2013 Federal Election

Political Party Benefits

Paid benefits \$ 56 367 240.38

Extra potential voters 2,236,149 x 2 for both HoR and Senate @ 248.800 cents

\$11,127,077.42 Unrealised benefit.

Compulsory Voting

In Australia, it is compulsory for all citizens over the age of 18 to enrol and to vote. Australia maintains a national electoral roll, or list, based upon the 150 electorates in the House of Representatives. All citizens over the age of 18 are required to enrol. Seventeen-year-olds may provisionally enrol and will be able to vote if their 18th birthday falls on or before polling day. In addition to being compulsory by law to enrol, it is also compulsory by law to attend a polling place at election time.

Figures of missing voters

| Figures provided below are the estimated number of eligible Australian voters missing from the electoral roll. | Estimated number of missing voters | |
|--|------------------------------------|--|
| TOTAL | 1,546,000 | |

Australian Electoral Commission enrolled voters

If Australia has a population as stated below, then, the enrolled voters should exceed 16 million, not 14 million.

Missing enrolled voters is reduced from 1,546,000 to 900,593 but actually missing 2,236,149.

| | 2010 | 2010 | 2013 | 2013 | POPULATION |
|-------------------------|------------|------------|------------|------------|------------|
| ABS Census 2011 | | 16,502,215 | | | 21,507,717 |
| 18 + age group | | | | | |
| ABS 2013 18 + age group | | | | 17,667,794 | 23,400,000 |
| (1.8% growth) Total | | | | | |
| >18 Australian Citizen | | | | 16,058,310 | |
| AEC December 2011 | 14,165,002 | | | | |
| Enrolled | | | | | |
| AEC August 2013 | | | 14,722,754 | | |
| Enrolled | | | | | |
| Voted 2010/2013 | 12,619,002 | 12,619,002 | 13,822,161 | 13,822,161 | |
| election | | | | | |
| Missing voters | 1,546,000 | 3,883,213 | 900,593 | 2,236,149 | |

Australian Bureau of Statistics Census of 2011

21,507,717 TOTAL Population.

16,502,215 aged 18 or above.

Australian Bureau of Statistics June 2013

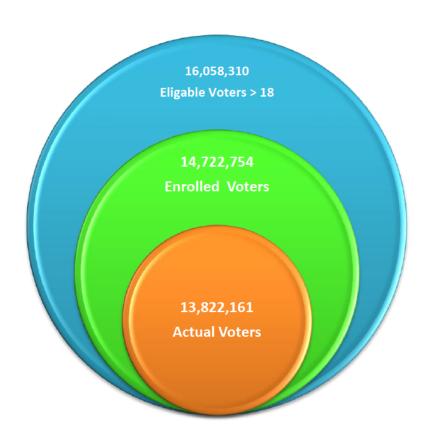
23,400,000 Total Population.

17,667,794 aged 18 or above of which there are –

16,058,310 Australian Citizens eligible.

ABS and AEC 2013

| Enrolled AEC December 2011 | March 2012 | August 2013 |
|----------------------------|------------|-------------|
| 14,165,002 | 14,229,119 | 14,722,754 |



Comparative enrolment and Australian population statistics.

Department of Health and Ageing

Estimated resident population by age, sex and State/Territory - as at 30 June 2010 (figures supplied by ABS)

Note: The Australian total includes an additional 2,440 individuals residing in External Australian Territories.

* Population figures are customised population projections for 30 June 2010 prepared by ABS according to assumptions agreed to by the Department of Health and Ageing. Copyright in ABS data resides with the Commonwealth of Australia. Used with permission.

Disclaimer

The information and data contained in the reports and tables have been provided by Medicare Australia for general information purposes only.

While Medicare Australia takes care in the compilation and provision of the information and data, it does not assume or accept any liability for the accuracy, quality, suitability and currency of the information or data, or for any reliance on the information or data. Medicare Australia recommends that users exercise their own care, skill and diligence with respect to the use and interpretation of the information and data.

Number of persons enrolled by age, sex and State/Territory - as at 30 June 2010

| All Persons Enrolled | 22,116,286 |
|----------------------|------------|
| | |
| Total population* | 22,398,091 |
| | |
| Percentage enrolled# | 98.74% |
| | |

| Medicare | | |
|--|--------------|--|
| People enrolled in Medicare ¹ at 30 June 2011 | 22.5 million | |
| Active Medicare cards at 30 June 2011 | 12.7 million | |
| People enrolled in Medicare ¹ at 30 June 2013 | 23.4 million | |

¹ Includes some people who are not Australian residents (such as long-term visitors for more than six months.

The Australian Elector Profile

Earlier Generation

Born: 1947 - 1965 Age in 2011: 47 to 65

Current Population: 5,226,086

Earlier Generation is still in the workforce using Telecommunications, Internet and Information Technology daily.

Generation X

Born: 1966-1976 Age in 2011: 36 to 46

Current Population: 3,461,019

Gen Xers are arguably the best educated generation with 29% obtaining a bachelor's degree or higher (6% higher than the previous cohort). And, with that education and a growing maturity they are starting to form families with a higher level of caution and pragmatism than their parents demonstrated

Generation Y, Echo Boomers or Millenniums

Born: 1977-1994 Age in 2011: 18 to 35

Current Population: 5,697,806

Gen Y kids are known as incredibly sophisticated, technology wise...as they not only grew up with it all, they've seen it all and been exposed to it all since early childhood.

Gen Y members are much more racially and ethnically diverse and they are much more segmented as an audience aided by the rapid expansion in Cable TV channels, satellite radio, the Internet, e-zines, etc.

Gen Y are less brand loyal and the speed of the Internet has led the cohort to be similarly flexible and changing in its fashion, style consciousness and where and how it is communicated with.

As of 2008 9,527,000 Australian homes had a broadband internet connection; And,

Australians are now spending more time on the internet each week than they do watching television. According to Nielsen online Australians spend an average of 13.7 hours per week online, versus 13.3 hours watching television.

Interestingly Comsec economist Craig James has found that Generation Y is now Australia's largest demographic with 4.6 million, and that now there are now twice as many people in Generations X and Y than there are Baby Boomers.

"Australia had 12,358,000 internet subscribers - not including mobile handsets - at the end of June 2013, showing a three percent annual increase." ABS

Election Day comments

"How many trees died in order to produce the House of Representatives and Senate papers, let alone the political parties 'How to Vote' copies for every elector."

Not an environmentally friendly government initiated policy.

Informal votes

By instituting an immediate E-voting process it is possible to declare immediately there were at least 16,058,310 voters for the Federal election. Through automating and guiding the elector through the voting process, all votes will be formal. (Informal voting will not be possible)

If however a voter does not cast a vote then the voter will be deemed to have voted, by default, so by the end of voting all 16,058,310 eligible voters have submitted a choice /preference.

To encourage all political parties to promote voter participation, any vote not cast will be counted for the appropriate electorate but distributed equally to the non-majority candidates as first preference votes. This assumes any non vote is a conscious decision on the part of the eligible voter to not support any of the major candidates.

Voter Identification

By working from the premise all 18 year old Australians can and have to vote, the most cost effective method of identification would be to use a scheme already in place. The proposal is to use the Medicare Number provided to all eligible Australians. At age 17. Alternatively a Veteran Affairs card number or equivalent could be used.

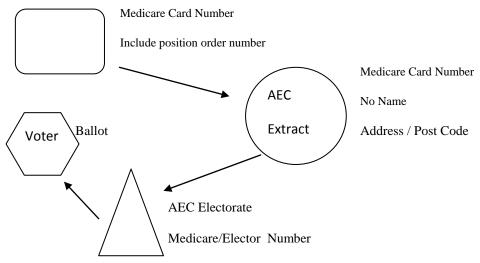
On voting day the voter address on Medicare database is the address used for determining the Electorate and subdivisions.

The elector enters their Medicare Number, position on Card number, and Medicare residential Post Code ONLY. The voter is then presented with electronic voting papers, showing candidates, appropriate for their electorate.

Immediately prior to the Election Medicare Information Technology Support provide a copy of the Medicare enrolled Database, extracting ONLY minimal information to facilitate the voting process. (As people update their Medicare address the voting electorate will match when next extracted.)

This would only include Medicare Number, position on Card number, Medicare Residential Address with Post Code. From this minimal detail the AEC will be able to flag the voter has voted, based upon use of Medicare Number, and from the address predetermine the appropriate electorate House of Representatives ballot for presenting to the voter. Voters are also presented with a Senate ballot as described below, allowing only "Above the Line" choices.

All Ballots for ALL voters are presented electronically.



Voting Method

Senate Group Voting Ticket

In the 2010 Federal Election for the Senate candidates, voters had the choice to vote indicating one Group "Above the Line" or numbering multiple candidate choices "Below the line". Greater than 96% of Total Australian voters chose to use the Group Voting Ticket, by voting "Above the Line".

In the 2013 Federal Election for the Senate candidates, "More than 95% of voters use the group ticket voting square, effectively meaning that the distribution of preferences in the Senate is determined largely by deals between political parties."

This fact is enough to allow the AEC to direct all Senate voting will be by Group Voting Ticket choices "Above the Line "only, whilst consulting with political parties to go with the most cost effective method. Such an approach also simplifies the voter's decision, eliminates voter error and permits a more elegant solution for the reconciliation of voter choices.

How to Vote - 0800 to 1800 AEST

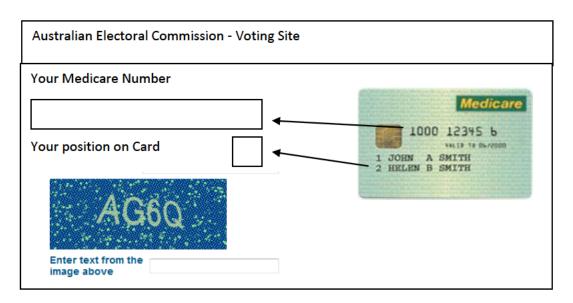
The voter would use the Internet on their own PC or device, or one available through local school or libraries, from anywhere in Australia or Overseas.

No More Absentee, Declaration or Postal Votes.

SCREEN "A"

| Australian Electoral Commission - Vot | ing Site |
|---------------------------------------|----------|
| Enter Your Residential Post Code | |
| 3MBb | |
| Enter text from the image above | |

SCREEN "B"



SCREEN "C"

E-Voting Ballot presented for voter's electorate.

Voter numbers House of Representatives choices;

Selects Senate Party and "Submits" result.

With random security code as above. Voter tally CAN BE IMMEDIATE.

Voting and distribution of Preferences.

The detailed method of counting votes and allocation of preferences has been described in AEC documents previously. Since there is a method to the process, its automation will be straight forward. The method can then be applied to the 17,000,000 recorded votes.

Office of Best Practice Regulation (OBPR)

During 2009-10 the government amended the Regulation Impact Statement (RIS) requirements to achieve a better balance between rigour and practicality. Finance provided advice on the amendments informed by extensive consultation with the business community and government agencies.

Finance issued a revised Best Practice Regulation Handbook (for application from 1 July 2010) which incorporated the new RIS requirements and other amendments to make the handbook more users friendly. Revision of the handbook was tested though consultation with regulating agencies, business, the not-for-profit sector, consulting firms and the general public.

The key changes to the RIS requirements include:

Better quality RISs: Department secretaries or heads of agencies (or their deputies) are now required to clear individual RISs before they are submitted to OBPR for final assessment.

Greater accessibility: An online register will be used to publish RISs following announcement of a regulatory decision.

More effective use of the RIS: Where Cabinet is the decision-maker, a one-page summary will be prepared by the OBPR to assist ministers.

APS reform agenda, including service delivery

In September 2009, the Prime Minister established an advisory group to develop a blueprint for reform of the APS. In March 2010, the group presented its report Ahead of the Game: Blueprint for the reform of the Australian Government administration. In its response to this report the government asked Finance to take a lead role in implementing the agenda, along with PM&C, the Treasury and the Australian Public Service Commission.

Finance will lead (or jointly lead) implementation of 11 of the 28 reforms, including improvements to collaboration between citizens and government in policy and service design, reducing unnecessary business regulatory burden, reducing agencies' internal red tape and reviewing the measures of agency efficiency.

Three key recommendations of the report focus on delivering better services for citizens by simplifying requirements, taking more flexible approaches to service delivery and working in partnership with state, territory and local governments. The Secretary of Finance chairs a Secretaries Committee on Service Delivery and this committee will report to government on a strategy for whole-of-government service delivery by the end of 2010.

A taskforce chaired by Finance will progress the recommendation to reduce internal red tape and a Government 2.0 steering committee will focus on better collaboration between citizens and government.

Amendments designed to improve aspects of the financial framework and governance for Commonwealth agencies were progressed, including the introduction of the Financial Framework Legislation Amendment Bill 2010 into the House of Representatives on 23 June 2010.

Supporting Infrastructure.

Using today's technology the infrastructure is in place to support the volume of simple transactions used during an E-Voting event – Federal Election.

Internet subscribers by type of access connection(a)(b), for ISPs with more than 1,000 subscribers

| | Jun 2012 | Dec 2012 | Jun 2013 |
|-----------------------------|----------|----------|----------|
| | '000 | '000 | '000 |
| Dial-up connections | 439 | 282 | 227 |
| Broadband connections | | | |
| DSL | 4 632 | 4 727 | 4 787 |
| Cable | 917 | 918 | 934 |
| Fibre | 52 | 91 | 115 |
| Satellite | 94 | 92 | 93 |
| Fixed wireless | 30 | 49 | 49 |
| Mobile wireless | 5 862 | 5 995 | 6 150 |
| Other | 10 | 7 | 3 |
| All broadband connections | 11 597 | 11 879 | 12 131 |
| Total number of subscribers | 12 036 | 12 161 | 12 358 |

For example:

Summary of BANKING usage of payments systems per day

• "In 2009 there were, on average, over 18 million transactions every day:

The mobile phone is no longer simply for talking & texting. Over the past year mobile internet usage has doubled in Australia with roughly 50% of Australian's now owning internet enabled phones, and almost 30% of those accessing the internet daily on their devices.

There are nearly 2.5 million more mobile phones in service in Australia than people, according to the latest official telecommunications industry figures.

The Chief Executive Officer of the Australian Mobile Telecommunications Association, Chris Althaus, said new figures from the Australian Communications and Media Authority show

there were 24.22 million mobile services in operation in June 2009."

 "Over the year ending June 2013 there were, on average, over 24.3 million transactions every day."

www.bankers.asn.au/.../Website%20Payments%20Statistics%202013.pdf

The proof lies back in 2001

"Is Open Source the Answer?

Eric Raymond, president of the Open Source Initiative, says open-sourcing the code could eliminate obvious errors and insider tricks. But he also warns that "there is no foolproof protection against bugs and hacks." For example, insiders could still replace the code loaded onto the machines.

Does the open-source approach work? Deputy Electoral Commissioner Alison Purvis says most voters don't know or care that the machines are open source, but "those voters and political participants that do know about open source have commented very favourably about this aspect." More important, techies aren't shouting that the machines are an unknown risk. As a result, Aussie voters haven't demanded a paper audit trail for the machines."

Conclusion

Australia in technically capable and Australians are internet savvy enough to work with and trust their financial details, process commercial transactions and conduct banking business every day. If the technology is good enough for the Australian Taxation Office, then it should be good enough for the Australian Electoral Commission.

From the opportunity savings generated, halve at least the Appropriation allocation for elections, Federal, State and Local.

For the benefit of the Australian Taxpayer and reallocation to Pensioners.

- For all future elections, the 70,000 temporary employees, reduced to 10%.
- The 8,266 polling places can be reduced to one per electorate.
- The will be no need for supply and printing of ballot papers, signage, how to vote, voter booths.
- No need to process Declaration, Absentee or Postal Votes.
- The majority of the voting infrastructure is held by the voter using the Internet across the already established telecommunications network.
- This initiative will add impetus to the implementation of the National Broadband Network.
- Since all 18 year old Australians are eligible to vote, and the Electoral Roll is to be an up to date extract from the Medicare Address database, or equivalent, there will be no need for the Voter enrolment process.
- Medicare office could issue a separate new card to anyone as they turn 17, or if they are already over 17.
- To establish an accurate database with full data integrity, Medicare and the AEC could cooperate to facilitate a DAY of ALIGNMENT whereby every Medicare/ Veteran Affairs card holder uses their internet access to confirm / update their residential address. (To ensure entitlement to any future Medicare payments)
- Any initial outlay would come from the \$53,472,000 available for Electoral Roll Management.
- The entire submission is an environmentally sustainable solution, which is cheaper by far for the Australian Taxpayer as well as providing the most efficient method of engaging the Australian people in the compulsory election process.

Assumption Base.

Using the same premise from the late 1960's; "If you are old enough to be conscripted and fight for Australia, then you are old enough to vote."

From that time all 18 year olds were given the right to vote.

Extrapolation: Since voting is compulsory, and you are eligible to receive Taxpayer funded Medicare Benefits and 18 years of age you are, by default, automatically an enrolled voter. No forms for registration to complete and process.

By using such an assumption base 2,236,149 missing voters have been located, double that number for state elections.

Recommendations.

The Australian Electoral Commission take immediate action to engage, their own Computer and technical, resources or that of Medicare Australia to create the E-Voting Internet based system as outlined in this submission. All work to be completed by end of December 2014.

Resultant savings should be in the order of \$100,000,000.