AUSTRALIAN ELECTORAL COMMISSION

SUBMISSION TO THE

JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

THE CONDUCT OF INDUSTRIAL ELECTIONS

Canberra
21 January 1997
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1. PREAMBLE

1.1 The Australian Electoral Commission (AEC) presents this submission to the Joint Standing Committee on Electoral Matters (JSCEM) in response to its Inquiry into the role of the Australian Electoral Commission in conducting Industrial Elections, as advertised on 2 November 1996. The submission reports on the conduct of industrial elections for employer and employee organisations by the AEC.

1.2 The introductory section provides a brief discussion of the history and structure of the Industrial Elections Program. This is followed by a detailed analysis of issues relating to the integrity of industrial ballots. Consideration is then given to possibilities for standardising rules governing the conduct of elections; mechanisms for external and internal review; and options for cost recovery. The submission concludes with an analysis of the issues involved in the use of postal versus attendance ballots.

1.3 The AEC wishes to place on the public record its belief that the public has a right to expect that all elections, whether parliamentary or industrial, are conducted without electoral fraud or intimidation of voters or candidates, and with impartiality on the part of the agency charged with conducting the election.

1.4 Contrary to the views expressed by some commentators and critics, fraud or ballot rigging is not endemic in industrial elections conducted by the AEC. The AEC conducted over 3,500 such elections in the period 1991-96. Only around 1.5% of those resulted in applications for inquiry, from these only 8 fresh elections were ordered. Most of the court inquiries dealt with technical issues relating to particular elections, mainly concerning questions of membership eligibility. It is fair to say, therefore, that the vast majority of legal challenges to election results so far have centred on issues other than fraud or ballot rigging.
2. INTRODUCTION

2.1 Historical Background

2.1.1 In 1949 the Conciliation and Arbitration Act 1904 (CAA) was amended to allow elections for registered organisations to be conducted by the Commonwealth. The aim was to minimise the incidence of irregularities occurring in such elections. A requirement that the rules of an organisation must provide for the conduct of elections of office bearers was added in 1951.

2.1.2 At first, the Commonwealth conducted industrial elections only when asked to do so by the organisations concerned and even then the Commonwealth met only salary and office costs, all other costs being borne by the organisation. From 1973 onwards the Commonwealth met all costs, including postage and advertising, but elections were still only officially conducted upon request. The number of requests for industrial elections and amalgamation ballots dramatically increased from 142 in 1975 to an average of around 480 by the late 1980s.

2.1.3 1976 saw the introduction of a requirement that all industrial elections be conducted by secret postal ballot, but with provision for attendance ballots upon application to the Industrial Registrar.

2.1.4 On 1 March 1989 the Industrial Relations Act 1988 (IRA) commenced and the CAA was repealed. The provisions in the IRA in relation to the conduct of elections for registered organisations remained substantially the same as in the CAA, except that whereas previously an organisation could request that the election be conducted by the AEC, the IRA made it mandatory unless the Industrial Registrar granted an exemption.

2.1.5 Since 1989, the number of industrial elections nationwide has averaged approximately 700 per annum, with 668 conducted in 1995-96 and 398 in the period 1 July to 1 December 1996.

2.1.6 Amalgamation ballots were first conducted by the AEC in 1975. An upsurge of ballot activity occurred in 1990-91, as various organisations moved to amalgamate, placing additional responsibility on the AEC Industrial Elections Program. The recent passage of the Workplace Relations Act 1996 (WRA), which establishes mechanisms for disamalgamation and also provides for the creation of enterprise branches of trade unions and new enterprise unions, may lead to a similar increase in activity.

2.2 Relevant Legislation

2.2.1 The principal object of the Workplace Relations Act set out in section 3, is:
to provide a framework for cooperative workplace relations which promotes the economic prosperity and welfare of the people of Australia by:

...(f) ensuring freedom of association, including the rights of employees and employers to join an organisation or association of their choice, or not to join an organisation or association...

(g) ensuring that employee and employer organisations registered under this Act are representative of and accountable to their members, and are able to operate effectively.

2.2.2 Pursuant to section 210(1) of the WRA:

Each election for an office in an organisation or branch of an organisation shall be conducted by the Australian Electoral Commission.

2.2.3 The AEC may also be required by the Australian Industrial Relations Commission (AIRC) to conduct secret ballots in relation to industrial disputes, or where the AIRC is not satisfied that a majority of employees affected by a Certified Agreement have agreed to the making, extension, variation or termination of that Agreement.

2.2.4 Currently, 126 industrial organisations are registered under the WRA, comprising 79 employer organisations and 47 trade unions. These organisations have national or State memberships and represent the majority of employer and employee bodies. Eighteen employer organisations and four trade unions have been granted exemptions that allow them to conduct their own elections for certain offices.

2.3 Election Procedures

2.3.1 A detailed description of procedures followed in a typical industrial election is in Appendix A. In summary, the process is as follows:

- Under section 214 of the WRA, the organisation lodges prescribed information with the Industrial Registrar. The Registrar then confirms that an election is required to be held under the terms of the organisation’s rules and arranges for the conduct of the election by the AEC.

- Under section 215, the AEC calls for and receives nominations and determines eligibility. It also prepares rolls of voters and distributes ballot material such as ballot papers and candidates’ statements. Whereas the rules regarding the conduct of parliamentary elections are relatively clear cut, being governed by the Commonwealth Electoral Act 1918 (CEA), there are no similar regulatory controls for industrial elections. Each organisation has its own set of rules which, by and large, AEC Returning Officers are obliged to follow.
A Returning Officer may depart from an organisation’s rules only to remedy a procedural defect within the rules or to ensure that an irregularity of some kind does not occur. With those exceptions, Returning Officers do not have any discretionary powers.

A rule is not defective merely because it is costly, difficult to implement or procedurally complicated. Consequently, a Returning Officer is not able to vary a rule for those reasons, even where the variation would achieve a desirable outcome and/or be easier to implement.

2.3.2 No two organisations’ rules are the same and there are no standard voting systems or qualifications to vote or stand for office. The WRA does, however, specify some particular requirements for the conduct of elections.

2.3.3 For example, section 197 requires each industrial organisation to develop rules for the conduct of its elections. Those rules must provide for:

- a direct voting system or a collegiate electoral system;
- the duties of a Returning Officer, who cannot be an office-holder or employee of the organisation;
- the manner in which a person becomes a candidate for office. In addition, the rules must specify that if a Returning Officer finds a nomination to be defective, the person concerned must be given (where practicable) a period of at least 7 days to remedy the defect;
- the conduct of the ballot, including absent voting, and the appointment, conduct and duties of scrutineers; and
- all elections to be by secret ballot.

2.3.4 Section 198 requires that for any position elected by a direct voting system, the election must be conducted by postal ballot, unless an organisation has been granted an exemption by the Industrial Registrar.

2.3.5 The WRA also sets the requirements for terms of office, normally a maximum of four years (s.199) and sets out the provisions for the filling of casual vacancies (s.200).

2.3.6 Section 268 requires each organisation to maintain a register of its members, showing the name and postal address of each member. A postal address may be a home address or private post office box, or a workplace address. Organisations are required to enter any changes in the particulars of their members, when they become aware of the change. The onus of notifying the organisation lies with each individual member. In order to conduct an
election, the WRA enables the electoral officer to obtain from the organisation a copy of the register or a list of the members to produce a roll of voters (s.317).

2.4 AEC Structures and Resources

2.4.1 The Industrial Elections Program is administered by the Assistant Commissioner Industrial Elections, Funding and Disclosure. Staff are located in Central Office and in each State and Territory capital - a total of 44 staff nationally.

2.4.2 Total program staffing costs in 1995/96 amounted to approximately $2 million in direct salary costs, or $3.6m if administrative overheads, on an accrual accounting basis, are added.

2.4.3 In addition to their Industrial Elections functions, program staff conduct elections for Commonwealth Statutory Authorities and participate in other electoral functions of the AEC including federal (especially Senate) parliamentary elections, ATSIC elections and local government elections.

2.5 Computerisation

2.5.1 The AEC uses two purpose-developed software systems to assist with the management of the Industrial Elections Program.

2.5.2 Easycount is a program that allows computerised counting of ballots for a variety of different voting systems used by organisations. This program is continually reviewed and upgraded as organisations develop new voting systems. Easycount produces many detailed reports to assist Returning Officers and has further proved its value in assisting scrutineers to follow the complex counting process involved in some electoral systems.

2.5.3 Rollmaker is a computer program that assists with the management of membership rolls during elections. The AEC does not manage the roll on behalf of organisations. A fresh roll is provided to the AEC at the start of each new election. Features of the Rollmaker program include provision for organisations to provide copies of their roll electronically, the checking for inconsistencies in membership and addresses, and the management of mailouts and return mail.

2.5.4 The use of these computer programs is one of the major reasons that the AEC, with no increase in staff allocated to the Industrial Elections Program, has been able to handle the substantial increase in industrial election activity since the late 1980s.
2.6 Previous Inquiries

2.6.1 The 1985 Committee of Review into the Australian Industrial Relations Law and Systems (the Hancock Report) dealt briefly with the conduct of Industrial Elections.

2.6.2 As a general principle, the Hancock Committee recommended that elections for office be conducted by secret postal ballot, except where it could be shown that an alternative method of voting would increase voter participation. It also recommended that the cost of elections conducted by the AEC should be borne by the Commonwealth and that election inquiries should continue to be dealt with by court inquiry.

2.6.3 In 1989 Marshall Cooke QC was commissioned by the Queensland Government to inquire into the activities of particular unions in that State. His report, presented in July 1991, contained a number of recommendations relevant to the conduct of industrial elections generally.

2.6.4 Given the similarity between Queensland and Commonwealth legislation governing industrial elections, the Commissioner’s report is well worth consideration by the JSCEM. His general conclusions included observations relating to ballot security and the existing machinery for the investigation of complaints of election irregularities. A copy of the report is at Appendix B.
3. MAINTAINING THE INTEGRITY OF INDUSTRIAL ELECTIONS

3.1 Offence provisions

3.1.1 Sections 315 and 317 of the WRA provide the offences for industrial elections. Broadly, they cover forgery, interference with the ballot, multiple voting and intimidation. The AEC considers that these provisions cover an appropriate range of offences.

3.1.2 Occasionally the AEC receives information and allegations concerning possible breaches of these provisions. Such allegations are always taken seriously. The precise nature of the AEC’s response may depend upon the kind of offence alleged, the degree of initial evidence, and legal advice from the Australian Government Solicitor. All allegations are investigated by the AEC to the extent that they can be or, more usually, are referred to the Australian Federal Police for action.

3.1.3 There have been some suggestions that the AEC fails to prevent fraudulent activity in industrial elections, such as in the 1994 CEPU election, in which irregularities were found to have occurred. To date the AEC has refrained from commenting publicly on this case, despite numerous invitations to do so, because court proceedings were still on foot. The case has now been adjourned indefinitely and the AEC welcomes the opportunity to set the record straight.

3.1.4 Appendix C provides a detailed account of the conduct of the original election, the allegations made, ensuing court proceedings and the conduct of the fresh election ordered by the Court.

3.1.5 During the court proceedings the Judge commented that, in conducting the original election, the Returning Officer’s task was daunting, and one that he treated seriously. The AEC stands by the proven record of its Returning Officers in conducting elections professionally, efficiently and with integrity.

3.1.6 The JSCEM should note that the AEC does not have any policing role, nor would such a role be appropriate. The reality is that no administrative procedures or practice can prevent people from attempting to do wrong if they are so inclined. Much depends, therefore, on the use of effective deterrents to maintain free and fair industrial elections. The AEC recommends that the JSCEM give consideration to increasing the penalties to provide a more effective deterrent.

3.1.7 As well as providing a greater deterrent against fraudulent behavior, increased penalties will overcome the 12 month limitation on prosecution of offences under the WRA. This limitation stems from section 15B (1) of the Crimes Act 1914 which states that an offence under any law of the
Commonwealth that includes a maximum penalty of 6 months imprisonment for a first offence can only be prosecuted within 12 months of the offence being committed.

3.1.8 An election inquiry can take many months to complete. Sometimes allegations or evidence of fraudulent activity only emerge in the course of an inquiry. Accordingly, the current limitation period may have expired before sufficient evidence for a prosecution is available. Furthermore, comments by Justice Moore in relation to the CEPU inquiry raise doubts as to whether it would be appropriate for a police investigation to be undertaken concurrently with a court inquiry.

......I must say it does raise a fairly fundamental issue if there is an inquiry on foot. What role should the Australian Federal Police have in investigating alleged breaches of the Act. Now, in putting it that way I’m not for one moment suggesting that there’s anything improper or untoward in them investigating matters, but it would be a rather unusual, if not unsatisfactory, result if the inquiry was proceeding to investigate matters and to a point at least the proceedings might be seen as inquisitorial and on the other hand the AFP is investigating the same or similar issues.

Transcript of Court Proceedings of 14.9.94. Industrial Relations Court of Australia. NSW District Registry. Moore J, NI94/0594 & NI95/3865.

3.1.9 Given the time that might be taken for an application to be lodged and inquiry to be held, the AEC does not believe there is sufficient time for all allegations of electoral fraud to be completed. The penalty for offences under sections 315 and 317 of the Workplace Relations Act is a $500 fine or 6 months imprisonment, or both. Therefore, in accordance with the Crimes Act the time limit to prosecute such offences is 12 months. Increasing the penalty above 6 months would remove this limitation.

3.1.10 Thus, increasing penalties for electoral offences under the WRA would overcome two problems - the poor deterrent effect of current penalties, and the limited time available for investigation and prosecution of offences.

Recommendation 1

The AEC recommends that sections 315(4) and 317(4) of the Workplace Relations Act be reviewed, with a view to increasing the penalties in relation to election and ballot offences.

3.2 Declaration Voting
3.2.1 Section 4 of the WRA defines ‘postal ballot’ as meaning:

..a ballot for the purposes of which:
   (a) a ballot paper is sent by prepaid post to each person entitled to vote; and
   (b) facilities are provided for the return of the completed ballot paper by post by the voter without expense to the voter.

3.2.2 A secret postal ballot can be accomplished in two ways:

• **Without Declaration.** Voters place completed ballot papers into unmarked envelopes and anonymously post the material back to the Returning Officer. The Returning Officer has no way of knowing from whom the returned envelope came.

• **With Declaration.** Voters make a declaration as to their identity and/or eligibility, typically requiring the use of a specially provided envelope which they at least sign, but sometimes also fill in name and address or other details. These envelopes are usually referred to as declaration envelopes.

3.2.3 The integrity of elections is enhanced by the use of declaration envelopes. Security is enhanced by the Returning Officer being able, where possible, to compare the signature and other written information on the envelope with available records and to confirm a voter’s eligibility. Declaration envelopes also provide a record of those persons who apparently have voted, thereby assisting in the detection of possible multiple voting.

3.2.4 The AEC is of the view that all postal voting for industrial ballots should be by declaration and that a single form of declaration envelope is preferable.

3.2.5 Currently, the AEC employs a range of enveloping systems so that differing declaration voting requirements in the rules of registered organisations can be met. Some systems of declaration voting are common across a number of organisations, but there are many organisations which have developed their own provisions which require small one-off print and/or manufacturing runs. Some examples of different declaration provisions required by the rules of organisations are provided in Appendix D.

3.2.6 In some instances, such as when an organisation has a large portion of their membership with workplace addresses as postal addresses, a Returning Officer will use the provisions of section 215 of the Workplace Relations Act to impose a form of declaration voting. This can only occur if the Returning Officer has justifiable concerns that the change is necessary to avoid an irregularity or to correct a procedural defect.
3.2.7 The effect of having to comply with many forms of declaration voting is that the AEC is restricted in its ability to initiate cost reduction measures and best practice procedures. Also affected is the Returning Officer’s capacity to investigate possible irregularities.

3.2.8 Returning Officers need to interpret rules to determine the most appropriate form of declaration voting, if any, to be used in a ballot, and then develop appropriate procedures for the counting of votes. Scrutiny procedures need to be regularly revised and adapted.

3.2.9 It is common practice for Returning Officers to number declaration envelopes with a voter’s roll number to assist in sorting returned ballots. In the AEC’s experience, this practice usually precludes the use of a mailing house because a mailing house can not reliably match a numbered insert with an appropriate outer envelope. Many of the currently used declaration envelopes are unable to be machine inserted for this reason. Thus, manual insertion of ballot material is the norm.

3.2.10 Where the AEC is able to develop a system that is common to all elections, standardised declaration voting would result in more efficient management of election mailings, and in some cases provide an increased level of security.

3.2.11 In summary, the benefits of standardising on a declaration voting system include:

- greater security in some elections, for example overcoming the problem whereby a voter declares eligibility by a signature only, with no provision to write his or her name on the declaration envelope;
- reduced cost through simplification of the production and storage of envelopes;
- achieving savings in manual preparation of ballot material through greater use of mailing houses; and
- savings involved through streamlining scrutiny procedures.

3.2.12 The AEC has advice that the introduction of standardised declaration voting is legally possible and believes that such standardisation is desirable to enhance ballot security.

**Recommendation 2**
The AEC recommends that the definition of the term “postal ballot” in section 4 of the Workplace Relations Act be amended to include provision that all postal ballots be by a standard form of declaration determined by the AEC.

3.3 Membership Addresses and Roll Accuracy

3.3.1 The integrity of an election also depends upon the availability of an accurate roll of voters, but in this area the AEC has not experienced significant problems. The quantity of unclaimed mail in industrial ballots is low, averaging around 2.5%. This indicates that membership rolls are as accurate as might reasonably be expected.

3.3.2 The AEC has neither a legal requirement, nor a right, to maintain a record of an organisation’s members between elections. That responsibility, pursuant to section 268 of the WRA, rests with the organisations themselves. Organisations are further required to provide to the AEC a list of the names and addresses of those eligible to vote, from which the AEC produces the roll. An official from each organisation is required to declare that the list is accurate to the best of his or her knowledge.

3.3.3 In practice, however, the responsibility for ensuring that an organisation has an up to date address for each member lies with individual members rather than organisations, since organisations do not have the resources to undertake regular, large scale reviews of their records. Nor can organisations require that members supply that information.

3.3.4 Organisations allow members to supply either a workplace or private address. “Postal address”, not being defined in the WRA, may be either a work or a private address. In other words, to comply with its obligations under section 268(1)(a), it is sufficient for an organisation to maintain a record of each of the workplaces of its members.

3.3.5 This causes concerns in the minds of some about the security of ballot material. For example, following the 1994 CEPU election there were allegations that ballot material forwarded to members was interfered with at the workplace.

3.3.6 It has been suggested that forwarding ballot material to residential addresses only would enhance the security and integrity of ballots in general. The AEC believes that to make it compulsory for members to supply a residential address would be an unnecessary invasion of personal privacy. For privacy and practical reasons, recourse cannot be had to the Commonwealth Electoral Roll to solve this problem.
4. STANDARD RULES FOR INDUSTRIAL ELECTIONS

4.1 Introduction

4.1.1 Over the years, the diversity of electoral systems and procedures encompassed by the rules of organisations has posed significant problems for the AEC Industrial Elections Program. Some rules are very effective and well tested in practice, others are difficult to interpret, and some are quite impracticable. When appropriate, the AEC alerts organisations to any ambiguous or difficult rules so that these may be reviewed by the organisations concerned.

4.1.2 Standardisation of the rules and procedures for the conduct of industrial elections would assist in making these elections more secure, efficient and cost effective.

4.2 Legal implications

4.2.1 On first analysis, the AEC had in mind the introduction of a standard format or formats prescribed by regulation, making provision for uniform security measures and a standard “menu” of electoral systems from which organisations could choose. The adoption of standard or “model” rules had already been mooted in Queensland (the Cooke Inquiry) and in a 1994 submission by the Western Australian Electoral Commission, to a review of the WA Industrial Relations Act.

4.2.2 Any steps to standardise rules, however, must take account of Australia’s obligations under the International Labour Organisation (ILO) Convention concerning the Freedom of Association and Protection of the Right to Organise.

4.2.3 Article 3 of the Convention states:

1. Workers’ and employers’ organisations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes.

2. The public authorities shall refrain from any interference which would restrict this right or impede the lawful authority thereof.

4.2.4 Recent legal advice obtained by the AEC, from two different sources, indicates that there are strict limits to the measures that could be introduced, either in legislation or administrative practice, without interfering with the overriding right of organisations to elect their own representatives freely. Copies of those advices are at Appendix E.
4.2.5 The Freedom of Association Committee (FAC) of the ILO, has made the following relevant comments:

*The right of workers’ organisations to elect their own representatives freely is an indispensable condition for them to be able to act in full freedom and to promote effectively the interests of their members. For this right to be fully acknowledged, it is essential that the public authorities refrain from any intervention which might impair the exercise of this right, whether it be in determining conditions of eligibility of leaders or in the conduct of the elections themselves.* (Digest of Decisions and Principles of the Freedom of Association Committee of the Governing Body of the ILO (4th ed), para 353)

and

*An excessively meticulous and detailed regulation of the trade union electoral process is an infringement of the right of such organisations to elect their representatives in full freedom, as established in Article 3 of the Convention No 87.* (ibid para 355)

4.2.6 Taking into account both the terms of Article 3 and the expressed views of the FAC, the legal advice provided to the AEC emphasises that the Commonwealth could not legally impose compulsory standardisation of election rules on organisations.

4.2.7 There is room, however, for standardising some minor procedural aspects of the electoral process, provided that any such changes are limited. An example cited in the AEC’s legal advice (by Dr Melissa Perry) is that standardisation of declaration enveloping would not be likely to contravene ILO 87 and this matter has already been addressed.

4.2.8 Furthermore, the Convention does not appear to preclude the Commonwealth from imposing charges on organisations for the conduct of their elections, provided that such charges were not so onerous as to prevent or hinder an industrial organisation in the conduct of its elections.

4.2.9 If a sliding fee structure were to be introduced, this might also encourage organisations to accept model rules, or standardisation of certain aspects of their elections. A standard fee could be set that reflects the cost to the Commonwealth of conducting elections under standard rules or systems developed by the AEC.

4.3 Model rules

4.3.1 The AEC could develop a menu of electoral systems that would promote a greater degree of integrity, efficiency and cost effectiveness in industrial elections while still allowing organisations considerable flexibility in selecting systems to elect their officials. For instance, in the case of voting models for the actual ballot, the menu could contain a standard first-past-the-post model, a standard optional preferential model, one or two proportional
representation systems, and so on. The voting models could be carefully worded to guard against the anomalies and ambiguities that exist at present. Other areas that could be covered by model rules include declaration voting and the management of advertising.

4.3.2 Direct benefits that might accrue from the use of model rules include:

- **Improved Integrity.** The use of uniform measures such as a single form of declaration could promote public confidence in the integrity of the election process.

- **Limits of Advertising Costs.** Advertising costs, as well as arrangements for advertising, are currently met by the AEC but there are no restrictions on the type or amount of advertising that an organisation might require by its rules. Generally, organisations require advertising in daily newspapers or in their internal journals, or both. Nothing in the current legislation, however, would prevent an organisation from providing in its rules for quite expensive advertising procedures, such as national prime-time television advertisements.

- **Standardisation Savings.** Assuming the adoption of model rules that were proven in practice, and with which AEC staff were familiar, such model rules might reasonably be expected to be more cost effective for the AEC to implement than a variety of alternative models adopted by different organisations. There would also be a real potential for a reduction in litigation because many inquiries before the courts result from differing interpretations of the rules of particular organisations.

4.4 Public Interest Considerations

4.4.1 It is difficult to estimate the actual savings that might accrue from the use of model rules or, indeed, the number of organisations that might opt to use them. At the worst a reduction of only a few percent of program costs might be achieved. Out of a total of budget of approximately $5 million, this would not constitute a significant saving to the Commonwealth. Nevertheless, the public interest would be properly served by improving the actual and perceived integrity of industrial elections.

4.4.2 The current policy of not charging organisations for industrial elections would appear to be one of the main reasons why organisations readily accept the Commonwealth conducting such an important part of their affairs. Faced with a higher level of cost recovery conditional on the adoption of model rules, organisations might seek exemptions to conduct their own elections.

4.4.3 On the other hand, the AEC considers that the conduct of elections for industrial organisations by an independent agency is the cornerstone by
which the public, and the members of organisations, maintain faith in the industrial elections process. A mass exodus of organisations from the current system would not be in the public interest.

4.5 Conclusion

4.5.1 The AEC wishes to emphasize at this point that it neither advocates nor opposes the introduction of the user pays principle in industrial elections. The issue is a complex and contentious one, with competing public interest considerations. Legal advice indicates, however, that it would be possible to standardise industrial election rules and procedures so as to provide cost/efficiency benefits, provided that such standardisation did not contravene ILO 87.

4.5.2 The AEC does firmly recommend placing a limitation on advertising costs. Under current legislation no upper limit on advertising exists. If expensive advertising is specified in an organisation’s rules then the AEC is bound to follow the rules and comply, at potentially significant and unreasonable costs to the Commonwealth.

Recommendation 3

The AEC recommends that section 215 (4) of the Workplace Relations Act be amended to limit the extent to which an organisation may advertise at public expense.
5. REVIEW OF THE CONDUCT OF INDUSTRIAL ELECTIONS

5.1 Internal Review Procedures

5.1.1 The AEC employs a range of strategies to ensure the ongoing efficacy of its Industrial Elections Program. For example, in line with normal Australian Public Service evaluation strategies, the AEC commissioned an independent consultant to review the program. The 1996 evaluation report recommended a number of areas for improvement in the program but the overall finding of the evaluation was that:

The AEC’s Industrial Elections staff are experienced professionals, highly skilled at managing the industrial election processes of organisations. The large number of clients surveyed and interviewed expressed high levels of satisfaction with the quality and content of electoral services provided. (Report to the AEC on an Evaluation of the Industrial Elections Program, March 1996, p2)

5.1.2 Returning Officers now systematically review the conduct of all major industrial elections following a recommendation of the evaluation described above, in order to improve planning for forthcoming elections.

5.1.3 Prior to all nationally conducted elections a team is established to coordinate the conduct of the election. A senior Returning Officer is appointed to head the team which consists of local Returning Officers for each State involved in the election. Taken into account during these pre-election reviews are the experiences learnt from past elections conducted for the organisations concerned, legal precedent, and any special procedures that might be needed.

5.1.4 In addition, AEC State Industrial Elections Directors meet on a quarterly basis to review the contemporary industrial elections environment, problems being experienced, and mechanisms to improve program efficiency. A topical theme, which invariably focuses on efficiency, is set for each meeting.

5.1.5 The AEC believes that current mechanisms for internal review are appropriate and contribute in a positive way to the overall integrity of the Industrial Elections Program.

5.2 External Review - Court Inquiry

5.2.1 The main mechanism for external review of the conduct of industrial elections is contained in section 218 of the Workplace Relations Act, which states:

Where a person who is, or within the preceding period of 12 months has been, a member of an organisation claims that there has been an irregularity in relation to an election for an office in the
organisation or a branch of the organisation, the person may make an application for an inquiry by the Court into the matter.

5.2.2 The Court referred to is the Federal Court, replacing the Industrial Relations Court in previous legislation.

5.2.3 If the Court finds that an irregularity has occurred, it may declare an election or a step in an election void and may order a fresh election or a step in an election to be taken again.

5.2.4 Regardless of whether the Court finds that an irregularity has occurred, legal costs of all parties may be paid by the Commonwealth, under section 342 of the WRA. Invariably the Commonwealth pays costs, not only when an irregularity is found but also where no irregularity is found, provided the Court is satisfied that the person applying for the inquiry acted reasonably.

5.3 Court Inquiries - Time for Application

5.3.1 Eligible persons may make an application for an inquiry within six months from the declaration of the result of an election. The applicant must first satisfy the Court that there are reasonable grounds upon which the application is based, before an inquiry is conducted. Inquiries are typically sought for such reasons as inaccuracies in the membership roll supplied by the organisation; eligibility of candidates, nominators or members; or the proper application of the rules.

5.3.2 Allegations of fraudulent activity are infrequent but when they do occur are generally investigated by the Australian Federal Police (AFP). Where there is sufficient evidence, the AFP will lay charges under the specific offence provisions of the WRA.

5.3.3 Under the WRA, Regulation 62 provides that an application for an inquiry may be lodged not later than 6 months after the day on which the result of the election is declared. The AEC considers that this period is excessive and unnecessary. Having a six month period to lodge an application for an inquiry means that an inquiry can be completed some 12-18 months or more after an election. This is not in the best interests of members. The AEC considers 30 days to be an adequate time limit to place on applications for an inquiry for all industrial elections. This would more closely approximate time limits on appeals in other AEC conducted elections, such as:

- 30 days after the declaration of the result of a ballot for amalgamation (WRA section, 253M(1));
- 40 days after the return of the writ for federal elections (Commonwealth Electoral Act 1918, section 355(e));
• 40 days after the end of the election period for ATSIC elections (Aboriginal and Torres Strait Islander Commission Act 1989, section 140)

Recommendation 4

The AEC recommends that Regulation 62 of the Workplace Relations Act be amended to reduce the time for an application to be made for an inquiry from 6 months to 30 days.

5.4 Court Inquiries - Standing to Apply

5.4.1 The AEC can only take remedial action in relation to an irregularity during the course of the election. There is no provision for the AEC to make an application to the Court for an inquiry should it become aware of an irregularity once the election has been completed and the result declared.

5.4.2 The practical effect is that the AEC may become aware of a possible irregularity following the declaration of a result, but unless and until a member of the subject organisation challenges the results, an inquiry cannot be convened. The AEC considers the current provisions of the WRA to be too restrictive in this regard. It is in direct contrast to federal parliamentary elections, where the AEC itself can petition the Court of Disputed Returns to inquire into an election result under section 357 of the Commonwealth Electoral Act (CEA). This was not always the case in parliamentary elections, but was introduced in 1983 following a major review of the CEA.

Recommendation 5

The AEC recommends that section 218 of the Workplace Relations Act be amended to enable the AEC to make an application for an inquiry before the Federal Court.

5.5 Alternative Mechanisms for External Review

5.5.1 The AEC believes the current judicial system of review of industrial elections to be effective. As with any court system, associated costs tend to be high but this is justified in the interests of ensuring free and fair elections. With appropriate safeguards, however, much could be done to streamline the current court inquiry system.

5.5.2 To date, the vast majority of Court inquiries have centred on issues relating to the interpretation of technical requirements under the rules and disputes about eligibility.

5.5.3 The question arises whether the valuable resources of a court of law are best utilised on such matters or whether a viable, more cost effective model
could be devised. A further consideration, already raised by Marshall Cooke QC in the 1991 Queensland inquiry referred to earlier in this submission, is the fact that Court proceedings are often daunting and may deter individual members of an organisation from seeking redress.

5.5.4 One option would be to establish a two-tiered review system. The rationale underlying this proposal is to provide a less formal, speedier and less expensive process than occurs through the court system, but one which nonetheless could deal effectively with most cases currently brought before the court. Most cases would be heard at the first level.

5.5.5 One way of implementing this would be to expand the current powers of Judicial Registrars as laid down in section 18AB of the Federal Court of Australia Act 1976. Judicial Registrars are required to have at least 5 years experience as legal practitioners. The rules of the Federal Court presently provide for them to be delegated with any or all of the Court’s powers in relation to certain employment matters. Those powers could be extended, empowering Judicial Registrars in the majority of cases to determine whether an irregularity had occurred and to order remedial action where appropriate. Alternatively, other avenues could be explored such as expanding the role of the Australian Industrial Relations Commission.

5.5.6 There would be a right of appeal to the Federal Court only in cases which fell within certain specified statutory criteria, such as complex issues of law or fact, or cases that involve an important principle of general significance. The onus would be on the prospective appellant to make out a case, say to the Registrar of the Court, as to why leave to appeal should be granted.

5.5.7 The underlying aim of the changes would be to reduce the cost and complexity of holding inquires into industrial elections, particularly as most inquiries deal with issues of a technical nature.

5.5.8 Proceedings involving electoral fraud constituting criminal activity would be brought in the appropriate court of criminal jurisdiction as is the case now, with provision at any step of the process to refer matters for investigation by the Australian Federal Police.

**Recommendation 6**

The AEC recommends that consideration be given to the establishment of an alternative, two-tiered mechanism of external review which allows for review at the primary level, followed by judicial review, as required.
6. COST OF INDUSTRIAL ELECTIONS

6.1 Introduction

6.1.1 Both the Government and the community are entitled to expect value for money from the AEC Industrial Elections Program. The AEC submits that the JSCEM should take into account not only cost efficiency issues, but also the contribution by the Program to the public interest.

6.2 Public Interest

6.2.1 The contribution of the independent conduct of industrial elections to the public interest has long been recognised in Australia. For example, in 1976, when amendments were proposed to the Conciliation and Arbitration Act, the then Minister for Employment and Industrial Relations, Mr Street, indicated his Government’s intention:

...that all elections for officers should be conducted by the Australian Electoral Office, with the cost of the election being paid for by the Government. (Hansard - 20 May 1976, Representatives p2325)

6.2.2 Subsequent parliamentary debate indicates that the Government believed that organisations would be attracted to the conduct of industrial elections if the Commonwealth paid for those elections. It was anticipated that there would be greater membership participation in industrial elections.

6.2.3 The AEC is of the view that the reasons for the Commonwealth continuing to conduct elections for registered organisations are as valid in 1997 as they were when the Commonwealth first became involved. To further quote from Hansard in 1976, Mr Street said that:

...the Government is concerned that every member of a union and employer organisation has a real opportunity, without intimidation, to choose who should conduct the affairs of the organisation. (Hansard - Representatives - 20 May 1976, pp2324-5)

6.3 Cost Efficiency

6.3.1 The number of elections conducted over the past decade is set out below.
6.3.2 It is evident that there was a marked increase in election activity in the early 1990s, mainly associated with a surge of amalgamation ballots among trade unions. The level of activity has since stabilised and reduced, but remains at around 700 per year, considerably higher than in the early 1980s.

6.3.3 Annual costs for the period 1991 to 1996 were:

- 1991/92 $4,879,000
- 1992/93 $5,153,000
- 1993/94 $4,815,000
- 1994/95 $4,212,000
- 1995/96 $4,124,000

6.3.4 It is necessary to add a note of caution when comparing total costs between different years. The cost of individual elections can vary to a significant degree, dependent upon such factors as size, demographics, the type of voting system or advertising required by an organisation's rules, the complexity of those rules and whether the election is contested in the first place.

6.3.5 The average costs per election fluctuated from a low of around $5,500 in 1990-91 to a high of $8,000 in 1993-94. The average last financial year was around $6,000. This illustrates the variability of program costs associated with the number of contested elections and the nature of each election in terms of number of members, and voting system.
6.3.6 As already indicated an accurate picture of operational efficiency is difficult to obtain solely by comparing annual costs, the more so because of changes in public service accounting methods and procedures over time.

6.3.7 Another comparison may be made between costs per ballot paper issued, in real terms, as follows:

6.3.8 Again, the variability of program costing is illustrated. The cost per ballot paper issued, expressed as total program costs divided by ballot papers issued, rose significantly last year. In 1995-96, only 0.95 million ballot papers were issued. This compares with 1.6 million ballot papers in 1991-92. This variability results from amortising fixed costs over a larger number of ballot papers.
6.3.9 Even allowing for the difficulties in making accurate comparisons, the AEC believes that it continues to offer the public good value for money in the conduct of industrial elections. This is borne out by the conclusions of the 1996 external evaluation of the Industrial Elections Program, cited above, which included in its terms of reference an assessment of the adequacy of existing resources and the efficacy of resource usage.

6.3.10 Reference has already been made to the overriding conclusion to emerge from that evaluation, that the Program is operating in an appropriate and effective way in fulfilling its statutory functions. More specifically, the independent consultant stated that:

_Budget management has been efficient, given that the IE environment is inherently unpredictable..._(Evaluation of the Industrial Elections Program, p119)

concluding that there is no workload basis for changing the overall resourcing of the program.

6.3.11 One recommendation that emerged from the evaluation relating to improved resource usage was the need for the introduction of an effective system for monitoring election costs. The AEC has heeded that recommendation and is in the process of developing a costing model to gauge the efficiency of one election against any other election. As illustrated by the detail above, this is a difficult exercise, and one that will take a considerable time to refine and test. Nevertheless, the result is expected to allow a greater degree of forward planning and more efficient resource utilisation.
7. COST RECOVERY

7.1 Introduction

7.1.1 The AEC interprets the JSCEM terms of reference as seeking input on two issues related to costs: whether the Commonwealth should attempt to recover from industrial organisations the cost of conducting their elections; and whether there is scope for the AEC to become involved in the conduct of elections for other types of organisations on a fee for service basis.

7.2 User Pays - Industrial Organisations

7.2.1 At present, under the WRA, elections for registered industrial organisations are conducted by the Commonwealth at no charge.

7.2.2 The AEC position on the principle of user-pays has been addressed in general in section 4 of this submission. There are legal implications in relation to the level of any charges for the conduct of elections in terms of the ILO Convention, and there are both practical and public interest issues that need to be considered.

7.2.3 The AEC emphasises that irrespective of whether charges are levied, elections for industrial organisations should continue to be conducted by an independent electoral authority such as the AEC. This will help to ensure that members of organisations enjoy, and are seen to enjoy, free and fair elections.

7.3 Fee-for-Service - Private Organisations

7.3.1 Periodically, the AEC receives requests from private organisations to conduct elections on their behalf. A recent example was a request from the NRMA. The AEC believes that there is considerable demand in the private sector for professional, experienced and independent election services.

7.3.2 To date, such requests have had to be declined because under section 7 of the Commonwealth Electoral Act it is not clear that the AEC has the authority to conduct elections for private organisations. The AEC is currently seeking legislative clarification of this issue. A proposed amendment to section 7 would remove any doubt that the AEC can consider undertaking commercial activities such as the conduct of elections for private organisations on a profit-making basis.

7.3.3 The AEC also has a proven track record, both in Australia and internationally, for its expertise in conducting elections. The AEC is an adaptable and innovative organisation with a closely guarded reputation for impartiality. These attributes could form the core of a marketing exercise aimed at offering electoral services to private organisations in Australia on a
fee-for-service basis. There are very few private organisations currently engaged in the conduct of elections, and certainly none with the capacity or expertise of the AEC.

7.3.4 It is open to the JSCEM to consider whether the considerable expertise gained by the AEC in the conduct of industrial elections could be exploited in the private sector on a full commercial basis to offset public funding of industrial elections.
8. POSTAL VERSUS ATTENDANCE BALLOTS

8.1 Section 198 of the WRA provides that any industrial election conducted under a direct voting system must be conducted by secret postal ballot. Postal ballots are a relatively effective means of conducting industrial elections, both in terms of integrity and cost.

8.2 It has been suggested that the conduct of attendance ballots, that is, ballots where a voter attends a polling place either at a work site, or some other convenient location, would be more effective than postal ballots in ensuring the security and integrity of elections. The AEC does not support this view.

8.3 There is no evidence to suggest that attendance ballots would provide any greater safeguards against electoral fraud and intimidation of voters than those already incorporated in postal ballots. In this regard it is worth noting that the Court, having found evidence of fraudulent activity in the 1994 CEPU election, nonetheless rejected proposals that the fresh election be by attendance ballot. Instead, it opted for a fresh election by postal ballot, incorporating a number of additional security measures suggested by the AEC.

8.4 On the other hand, those occasions where the AEC has been required to conduct on-site attendance ballots have resulted in higher participation rates. For example, a recent attendance ballot for the CFMEU resulted in a turnout of approximately 70% compared with around 35% for a typical branch postal ballot for the same organisation. While such outcomes are obviously desirable a word of caution is necessary. This result was achieved by on-site voting at the workplace. For reasons discussed below this would not be the situation in most attendance ballots were they to become the norm, and indications are that in most situations, voter participation would not improve significantly.

8.5 Cost is also a relevant consideration. On best estimates, the uniform introduction of attendance ballots would cost at least $15 million annually, possibly much more. This takes into account such factors as staffing requirements for each polling place, shift work arrangements, staff training, and so on. Geographic distribution and the number of workplaces where polling places would be required are also important considerations. While some organisations might be more suited to attendance voting because their members are employed in defined geographical areas and in a limited number of workplaces, in the great majority of cases membership is very widely dispersed so that the organisation of an attendance ballot would be logistically complex as well as a costly exercise.

8.6 Currently the AEC conducts attendance ballots for the Tram and Bus Division of the Public Transport Union (PTU), the Mining Division of the Construction Forestry Mining and Energy Union (CFMEU), and the Union of Christmas Island Workers (UCIW). These organisations were granted
exemptions from the postal ballot requirements under section 198(2) of the WRA, which requires that the Industrial Registrar be satisfied that certain criteria are met in relation to voter participation and adequate opportunity to vote without intimidation. Conducting an attendance ballot in these divisions of the PTU, CFMEU and UCIW is relatively straightforward as the number of workplace sites are limited. In the case of the PTU only five sites were involved in the 1996 NSW election. The CFMEU election involved 20 sites. Only one polling place will be used for the UCIW.

8.7 In 1996 the Industrial Relations Court ordered that a fresh election be held for a branch of the CEPU. The Court required that members at some workplaces be offered the opportunity to vote by attendance at an AEC office. As mentioned, full details of the CEPU case are addressed separately in this submission. But in terms of dispersal of worksites and the difficulty and cost of conducting attendance ballots the CEPU example is typical of many large employee organisations. Therefore, some aspects of the case are used as examples in the following paragraphs.

8.8 The NSW Postal and Telecommunications Branch of the CEPU comprises about 18,000 members spread across NSW at around 1,500 workplaces. Some workplaces are large, such as mail exchanges and Telstra offices, and some are very small, such as one-person country post offices.

8.9 To assist the Court with its inquiry into the 1994 election for the CEPU a detailed estimate was developed which considered the logistics and cost of conducting full postal, full attendance, or a mixed postal/attendance ballot. In 1994 the cost of conducting the postal ballot which became the subject of the inquiry was around $40,000. A fresh postal ballot, with additional security measures required by the Court, was estimated at $70,000, while a full attendance ballot, using visiting mobile polling teams across the State was estimated at $250,000. A mixed postal/attendance ballot using an AEC developed model was estimated to cost $84,000.

8.10 After consideration of the AEC’s submission the Court ordered a mixed ballot whereby members at seven workplaces (large mail exchanges) were given the opportunity to vote by attendance at AEC offices. This differed from the AEC mixed ballot model in some respects and the revised cost was estimated at $89,000. The actual cost of conducting the ballot turned out to be $92,000.

8.11 The main point to note in this example is the very high cost of the full attendance option. At $250,000 this is some 3.5 times higher than the full postal ballot, which included some additional security, and some 6 times the cost of the 1994 ballot which used normal AEC postal ballot procedures.

8.12 On the subject of voter turnout, about 3,600 CEPU members were given the option to attend selected AEC offices to vote. Only 208 indicated that they would vote in this manner and even fewer (60) turned up and voted.
8.13 In summary, the AEC doubts whether benefits to be derived from uniform attendance ballots would be sufficient to warrant the extensive additional funding that would be required. There is already scope to conduct a limited number of attendance ballots where appropriate, that is, where an exemption has been granted under the WRA or where the Court has found that ballot security irregularities have occurred in elections for a particular organisation or organisations and orders or recommends an alternative ballot system.
9. CONCLUSION

9.1 The conduct of elections for office in unions and employer organisations is directed towards achieving two objectives of the Workplace Relations Act, namely the democratic control of organisations and the participation of members in their organisation's affairs.

9.2 One of the AEC's corporate goals is:

*to provide a high quality electoral service for industrial organisations and their members.*

9.3 The AEC believes it has successfully implemented strategies that achieve this goal. Only a very small number of organisations have applied for an exemption from the requirement to have the AEC conduct their elections, indicating that, overall, organisations continue to have confidence in our work. The delivery of high quality industrial elections services to a diversity of organisations is well in keeping with the wider goal of the AEC to ensure that all Australians have access to an impartial and professional electoral service.

9.4 The AEC is firmly of the view that the public interest will best be served if industrial elections continue to be conducted by an independent authority, such as the AEC. Benefits could be achieved in terms of efficiency, cost effectiveness and the integrity of elections if organisations were to agree to the standardisation of certain electoral procedures.

9.5 The AEC is well placed to provide any new or improved services either arising from this review or under the new industrial relations environment.
AEC Submission to JSCEM on the Conduct of Industrial Elections

SUMMARY OF RECOMMENDATIONS

Recommendation 1

The AEC recommends that sections 315(4) and 317(4) of the Workplace Relations Act be reviewed, with a view to increasing the penalties in relation to election and ballot offences.

Recommendation 2

The AEC recommends that the definition of the term “postal ballot” in section 4 of the Workplace Relations Act be amended to include provision that all postal ballots be by a standard form of declaration determined by the AEC.

Recommendation 3

The AEC recommends that section 215 (4) of the Workplace Relations Act be amended to limit the extent to which an organisation may advertise at public expense.

Recommendation 4

The AEC recommends that Regulation 62 of the Workplace Relations Act be amended to reduce the time for an application to be made for an inquiry from 6 months to 30 days.

Recommendation 5

The AEC recommends that section 218 of the Workplace Relations Act be amended to enable the AEC to make an application for an inquiry before the Federal Court.

Recommendation 6

The AEC recommends that consideration be given to the establishment of an alternative, two-tiered mechanism of external review which allows for review at the primary level, followed by judicial review, as required.
AEC Submission to JSCEM on the Conduct of Industrial Elections

LIST OF APPENDICES

Appendix A - Procedures Involved In The Conduct Of Elections For Industrial Organisations

Appendix B - Copy of Sixth and Final Report of Inquiry into the Activities of Particular Queensland Unions - July 1991

Appendix C - Industrial Relations Court inquiry into the 1994 CEPU election

Appendix D - Declaration Voting - Examples of Current Declaration Systems

Appendix E - Legal Advice Concerning The Introduction Of Standardisation Of Election Rules
Appendix A - Procedures Involved In The Conduct Of Elections For Industrial Organisations

1. Pre-Election

1.1 Prescribed Information

Organisations are required to lodge with the Australian Industrial Registrar (AIR) prescribed information in relation to a proposed election two months prior to the date on which nominations are to open. The prescribed information provides information to the AIR on the name of each office to be filled, the reason for the election, the number of offices if more than one, the parts of the organisation (ie. Branches, Divisions, or Sections) involved, relevant dates, and the type of voting system to be employed.

The AIR Registrar reviews the prescribed information and establishes whether an election is required and issues a decision. If the AIR decides that an election is required to be held, then it makes arrangement for the AEC to conduct that election.

1.2 Appointment of the AEC

On receipt of a decision signed by a Deputy Industrial Registrar, the AEC appoints one of its officers as Returning Officer (RO) charged with conducting the election to fill the required offices.

Following a decision that an election is required, the AIR forwards to the AEC a certified copy of the rules for the organisation concerned.

2. Election Planning

2.1 Rules of the Organisation

On receipt of the organisation’s rules, the RO compiles a comprehensive précis of the rules as they relate to the conduct of the election.

2.2 Initial Correspondence with the Organisation

The RO writes to the organisation to inform them that they are not permitted to take any unauthorised action in the conduct of the election.
2.3 Election Timetable

When election dates and times are specified in an organisation’s rules the RO will comply with those dates wherever possible. Where rules are silent on election timing, the RO sets the dates, usually in consultation with the organisation. Issues such as the expiration of the terms of offices concerned, the rules relating to eligibility to nominate and vote, and the method of advertising are important considerations in formulating the election timetable.

3. Nomination Period

3.1 Election Advertising

The RO calls for nominations by placing advertisements in daily newspapers and/or the organisation’s journal or by sending notices to each member. The method of calling for nominations is generally provided for in the organisation’s rules. The offices for which nominations are being called, instructions for the lodgment of nominations, and election dates, are included in the advertisement.

The Commonwealth pays for the cost of advertising, although organisations generally do not charge for advertising in their journals. There is nothing, however, to stop an organisation charging for advertising in its journal if the organisation was so inclined.

3.2 Checking of Nominations

After nominations have closed, the RO checks each nomination to ensure that it complies with the organisation’s rules. The rules of most organisations require candidates and their nominators to be financial members of the organisation. In some cases additional qualifications such as length of membership, continuity of financial membership or membership of a particular occupational and demographic group are also required and must be investigated by the RO.

3.3 Defective Nominations

Where a nomination does not comply with the rules, the RO writes to the candidate concerned advising them of the defect. Where practical in terms of available time, the candidate is given 7 days to remedy the defect or provide further particulars to the RO. Where a candidate fails to remedy a defective nomination within the prescribed time the nomination is rejected.

3.4 Acceptance of Nominations

Where a ballot is necessary, the RO writes to each candidate for each office accepting his or her nomination. Details relating to the draw for positions on the ballot paper, inspection and/or copying of the roll of voters, the names of the candidates for each contested office, and the appointment of scrutineers are also provided in this time.
3.5 Declaration of Uncontested Positions

If the number of valid nominations received to fill an office or offices do not exceed the vacancies for the office or offices, then the nominees for each of the uncontested offices are declared by the RO to be elected, unless otherwise specified in the rules.

4. Conduct of Ballot

4.1 Order of Names on Ballot Paper

The rules of the organisation usually specify whether candidates’ names on the ballot paper are to be listed in alphabetical order or in an order determined by the drawing of lots. Where a draw is required, the RO conducts the draw at the prescribed time. Candidates or scrutineers may be present at the draw. The RO immediately writes to all candidates advising them of the result of the draw.

4.2 Ballot Preparation

The RO prepares the ballot paper taking into account any special directions which might need to be included about marking ballot papers, informal votes, and declaration voting. The RO also arranges for the supply of other ballot material such as envelopes, and candidate statements (when required).

4.3 Printing of Ballot Paper

The RO arranges for the printing of ballot papers.

4.4 Candidate Statements

The rules of some organisations permit candidates to supply statements in support of their candidature for distribution by the RO with the ballot material. The RO is required to examine candidate statements to ensure that they comply with the rules of the organisation. The RO also arranges for the printing and supply of candidate statements.

4.5 Roll of Voters

The organisation is required to provide the RO with a certified list of names and addresses of members eligible to vote. The organisation is also required to provide supplementary lists of any alterations to the original roll of voters.

4.6 Copying and/or Inspection of the Roll of Voters

Any member may inspect the roll of voters at the RO’s office, and is permitted to take a copy of the roll at cost.
4.7 Preparation of Ballot Material for Dispatch

All elections are conducted by secret ballot and in almost all cases ballots are conducted by post. When all ballot material has been printed and checked, it is then prepared for issue to voters. In postal ballots the RO posts ballot material to eligible members at the address shown in the organisation’s records and provides voters with a prepaid envelope for the return of completed ballot papers.

4.8 Posting Ballot Material to Voters

On the opening day of the ballot, the RO lodges ballot material addressed to each eligible voter with Australia Post for delivery by post.

4.9 Issue of Duplicate Ballot Material

A member who has not received, has lost, or spoilt their ballot material may make written application to the RO for a second set of ballot material to be posted. Before issuing duplicate material, the RO must be satisfied that the original material has not been received or has been lost or spoilt. The RO relies on the declaration of the member concerned to meet this requirement.

4.10 Return of Ballot Material from Voters

Voters may validly return completed ballot material to the RO before the close of the ballot by posting or delivering it to the private PO box address shown on the Reply Paid envelope or by posting or delivering it to the RO’s office. Ballot material is returned to a PO box provided by Australia Post to the AEC exclusively for this purpose. For security and scrutineering purposes, a separate and private PO box is used for each ballot.

4.11 Clearance of PO Box

During the course of the ballot, the RO may consider it necessary to collect completed ballot material from the PO box. When such clearances are undertaken, they are done under the strict supervision of Australia Post, AEC staff, and scrutineers. All ballot material clearance details are recorded by Australia Post and the AEC. Access to the PO Box is restricted to postal officials and approved AEC staff.

4.12 Secure Storage of Cleared Ballot Material

Collected ballot material is placed in bags and sealed. The seals used are unique to the AEC and are numbered. All seal numbers used are recorded and made available to scrutineers at any time. All collected ballot material is securely stored at either the RO’s office or a security firm or bank.
4.13 Close of Ballot

At the close of the ballot the RO collects all remaining ballot material from the PO Box at the precise time of the ballot closing and records the details of the final clearance in the register. The RO also collects any material which has been previously cleared and stored at security premises.

5. Scrutiny

5.1 Preliminary Scrutiny of Envelopes

As soon as practicable after the close of the ballot, the RO produces all bags containing completed ballot material received up to the close of the ballot. In the presence of scrutineers, the RO checks the seal numbers against the record of seals, opens each bag and checks the contents of each bag against the official clearance figures held in the register.

Where a declaration envelope system is used, the RO conducts a mark-back by marking the names on envelopes against the roll of voters.

5.2 Opening Envelopes and Withdrawing Ballot Papers

When the mark-back is completed the envelopes admitted to the scrutiny are opened and the ballot papers removed. The process used to remove ballot papers from the envelopes varies depending on the method of declaration voting required in the organisation’s rules. Procedures have been devised to preserve the secrecy of the vote at all times.

Care is taken to open envelopes in such a way that a voter’s name cannot be associated with any individual vote. This may involve such measures as, when opening declaration envelopes, having the declaration side of the envelope face down and/or placing face down all ballot papers extracted from envelopes, where an inner unmarked ballot paper envelope is not used.

5.3 Scrutiny of Ballot Papers

The RO conducts the scrutiny in accordance with the organisation's rules taking into account the method of voting and formality provisions.

5.4 Declaration of the Poll

At the completion of the scrutiny, the RO declares the results in writing to the Secretary of the organisation concerned and sends a copy of the declaration to all candidates.

6. Post Election
6.1 Packaging and Storage of Election Material

All ballot material and any other documents relating to an election are retained by the AEC for a period of 12 months after the completion of the election. At the completion of each election, the RO packages, labels and records all election material and arranges for secure storage under the direct supervision of the AEC at all times.

6.2 Election Reporting

After the completion of each election, the RO compiles a brief report on various aspects of the election. The report provides a snap-shot of the main steps in the conduct of the election and a guide to future ROs on any unusual matters peculiar to the election.

ROs also provide recommendations to organisations for improvements in their election process.
Appendix B

to AEC Submission to
JSCEM on the Conduct of
Industrial Elections

Appendix B - Copy of Sixth and Final Report of Inquiry into the Activities
of Particular Queensland Unions - July 1991
Appendix C

Appendix C - Industrial Relations Court inquiry into the 1994 CEPU election

Background

In 1994 the Electrical, Electronic, Plumbing and Allied Workers Union of Australia amalgamated with the CWUA. The new organisation became known as the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia (CEPU). The new union was divided into 3 divisions, which were in turn divided into branches.

An election for the NSW Postal and Telecommunications Branch of the new union was held in July 1994. An inquiry into that election by the Industrial Relations Court commenced in August 1994, soon after the declaration of the result. The inquiry was conducted by His Honour, Justice Moore, and ran for approximately 2 years.

The initial application for the inquiry was made by Mr Noel Battese, a member and former official of the union, alleging that a number of union members were pressured by supporters of the incumbent faction into handing over their ballot papers which were then illegally completed and returned to the AEC for inclusion in the ballot.

Another candidate for the 1994 election, Mr Quentin Cook, subsequently joined the proceedings, supporting Mr Battese’s allegations.

During the course of the proceedings, further allegations were made that mail sent to voters was unlawfully intercepted and that those ballot papers were also illegally completed. Counsel representing Mr Cook later made a further series of allegations directed against the Australian Electoral Commission, but this did not occur until 1996. Some of those allegations have been misrepresented by the *Sydney Morning Herald* and in a program televised by *Sixty Minutes*.

Allegations against the AEC

A series of eleven allegations were made in the course of court proceedings. Justice Moore dismissed eight of these, finding that no irregularities had occurred. In the three instances where irregularities were found to have occurred, the breaches were technical ones, namely:
• that the security envelope provided by the AEC enabled the member to sign the envelope, but did not enable the member to handwrite his or her address, as required by the organisation’s rules;

• that a notice providing instructions about non-receipt of ballot material was not sent on time - it was sent six days late - and did not comply with the organisation’s rules inasmuch as the notice invited members to apply for a duplicate ballot paper if the material was not received, but did not make it clear that members should report non-receipt of ballot material regardless of whether or not they wished to receive a replacement; and

• that advice given by the Returning Officer to Mr Cook may have resulted in confusion for some voters. Mr Cook had asked if crosses and ticks would count as formal votes. The Returning Officer advised, correctly, that they would, but failed to advise Mr Cook that the ballot paper would ask voters to number each square. It should be noted that it was the incompleteness of the advice, not the wording on the ballot paper, which constituted the irregularity.

Most of the allegations in which no irregularity was found to have occurred were also primarily technical, namely:

• that the forwarding envelope to members failed to satisfy the criterion of having as few distinctive marks as possible - no irregularity was found to have occurred;

• that the reply paid envelope failed to satisfy the criterion of having as few distinctive marks as possible - no irregularity was found to have occurred;

• that the delivery of 414 ballot papers by courier or by the Returning Officer to managers at nine mail centres for distribution to members who had only provided workplace addresses did not satisfy the definition of a ‘postal ballot’. Justice Moore determined that while this was technically a breach of the rules, it was not an irregularity and was allowed for under the Workplace Relations Act by section 215(1)(b)(i);

• that the Returning Officer wrongly added names of members to the roll of voters after he was sent the initial roll - the court found that, on the contrary, the Returning Officer was required to take such action and was correct in his decision. Consequently, there was no irregularity;

• that the AEC had failed to clear Kogarah post office of ballot material on the final day of the ballot. This could not be established. The Returning Officer was unable to recall - when asked some 18 months
after the event - whether he had or had not collected ballot papers on that day. No irregularity was found;

• that the ballot paper should have included instructions for ticks and crosses. The court found there was no requirement in the rules for such an instruction. Consequently, there was no irregularity; and

• that the Returning Officer failed to authenticate the roll. No irregularity was found to have occurred.

One alleged irregularity, however, was much more serious, impugning the integrity of the Returning Officer. Specifically, it was alleged that he was indifferent to the seriousness of complaints received during the ballot period about unlawful conduct, was biased in favour of certain candidates and failed to refer complaints of unlawful conduct to the Australian Federal Police. Suggestions to this effect were also made on 60 Minutes.

The AEC stands by the proven reputation of its Returning Officers and welcomes the opportunity, now that court proceedings are no longer on foot, to set the record straight. To begin with, the AEC notes comments made by His Honour concerning the conduct of the Returning Officer:

...the task of the returning officer in these elections was a daunting one. The fact that some mistakes were made does not manifest indifference to the task that befell him. (Reasons for Judgement 10 May 1996 p. 42)

With regard to the issue of referral to the police the AEC contacted the AFP on 8 July 1994, the day that allegations regarding impropriety in the elections were first made. Further allegations made to the AEC over the next ten days were also referred immediately, together with copies of relevant material. Several meetings between AEC and AFP staff occurred in the course of the AFP’s investigation, which ceased on 15 September 1994. The AFP concluded that the allegations were unsubstantiated. By that stage, the court inquiry had been in progress for approximately six weeks.

Some media reports have claimed that the AEC made an undertaking, in 1994, to refer the investigation back to the AFP if any additional evidence was identified during the inquiry, and that the AEC later reneged on that undertaking. That is not so.

AEC officers customarily maintain comprehensive records on the conduct of elections, particularly in those instances (albeit rare) where complaints of fraudulent activity are received. This case is no exception. Having thoroughly checked all relevant files and interviewed officers who dealt with the AFP, the AEC has been unable to verify that such an undertaking was made.

The only evidence available to the AEC that makes any reference to the supposed undertaking is an AFP minute, in draft form, addressed to the then
The AEC undertook to refer the investigation back to the AFP if any additional evidence was identified during the court proceedings. It is worth noting, however, that the draft is dated 5 September 1995 - some 12 months after the investigation was wound up - and that the AFP itself has been unable since to identify from its own files the source of the information upon which the statement was based.

Of even greater note is a detailed AFP incident report dated 20 September 1994, less than a week after the investigation concluded. Given the very detailed nature of that report, one would have expected there would have been some reference to any undertakings requested or made. There were not. The concluding paragraph of the report states:

No further action intended.

The AEC is not suggesting that AFP officers have been anything but honest in their reporting of this matter. At one stage, however, they were working from recollections that were 12 months old. It is possible that AFP officers may have been confused by a facsimile sent by the Returning Officer to the AFP on 22 July 1994, advising that he would keep them informed of any further developments during their inquiries (as opposed to during the subsequent court proceedings). This, in fact, occurred.

The AEC is also aware of another AFP minute to the Minister advising that the AFP “now intends to close its file on the matter’, although it is not clear on what date that minute was drafted.

With the completion of the AFP investigation the court inquiry became the sole focus for probing the allegations made. Consequently, the AEC took the view that its role was to assist the court as much as possible.

For example, during the course of the proceedings, the Returning Officer became aware of twelve cases where the signatures on the returned declaration envelope did not match signatures provided for the receipt of the voting material (the twelve received their material at their workplace). Upon making the discovery, the matter was immediately referred to the court’s attention.

The AEC’s judgement in this regard is consistent with the previously quoted comment made by Justice Moore on 14 September 1994 that it would be rather unusual, if not unsatisfactory, if two inquiries (IR Court and AFP) were investigating the same or similar issues at the same time.

60 Minutes implied that the Returning Officer was biased in the way he responded to complaints of fraudulent activity. The AEC categorically rejects any such suggestion.
The program contained a purported re-enactment of court proceedings which showed the Returning Officer being asked whether he followed certain recommendations made by the AFP. Much was made of the fact that he answered no. The AEC draws the Committee’s attention to the fact that the transcript of proceedings was selectively quoted. What the “re-enactment” did not show was that the thrust of the AFP’s recommendations was that votes cast by persons who were Vietnamese or Filipino be separated from other votes. This was in response to allegations that union members who belonged to those ethnic groups were being singled out and pressured into handing over their ballot material.

The AEC gave careful consideration to the proposal but decided against it, for two reasons. Firstly, it was simply impracticable to rely on voters’ names to identify ethnicity. Secondly, such action could have been interpreted as discriminatory. Indeed, members of the Vietnamese and Filipino communities were quite alarmed by the proposal when they became aware of it following distribution of a solicitor’s letter, and a senior officer of the AEC made a special trip to Sydney to allay their concerns.

Articles appearing in the *Sydney Morning Herald* also gave the impression that the AEC was in some way biased against, or extended unfair treatment to, one of the candidates, Mr Quentin Cook. In the AEC’s opinion the articles were misleading by omission. Of particular note is the suggestion that:

"the Australian Electoral Commission barred Mr Cook from recontesting the recent election."

Again, the AEC rejects any suggestion of bias. The Returning Officer had no discretion in the matter. Mr Cook was ineligible to contest the fresh election because he did not meet an eligibility requirement in the organisation’s rules which stipulates that candidates be continuously financial members of the union for the previous 12 month period. Furthermore, when the AEC’s ruling on this matter was challenged in the Court, Justice Moore ruled that the AEC had correctly interpreted the rule.

**The new election**

The main basis for Justice Moore’s decision to order the fresh election appears to have been forensic evidence indicating that, in all probability, the result of the elections was affected by electoral fraud.

In particular, His Honour made reference to the evidence of a handwriting expert, Mr Paul Westwood, that approximately 900 ballot papers had been fraudulently completed in the same handwriting by persons unknown. It should be noted at this point that, although the majority of what were discovered to be fraudulently completed ballot papers favoured the Natour/Jarman team, a number favoured candidates who were not part of that team. (Reasons for Judgement, 14 August 1996, p. 18)
Submissions by other parties

Justice Moore invited the parties to lodge submissions regarding the form of ballot to be used for the fresh elections. Each party to the hearing, including the AEC, took the opportunity to do so.

Both the union and the incumbent union officials proposed that there be a full postal ballot.

The applicant, Mr Noel Battese, originally recommended a full attendance ballot. Subsequently, after reading the AEC’s submission, this was amended to an attendance ballot at seven metropolitan workplaces and postal ballots elsewhere.

Mr Quentin Cook recommended that the ballot be conducted by way of attendance at AEC offices or NSW Police Stations.

Submission by the AEC

The AEC provided arguments, for and against, and detailed costings for a full postal ballot with increased security measures, a full attendance ballot with various options, or a mixed ballot with attendance at some workplaces and postal voting elsewhere. Mr Battese’s original proposal was also costed.

In assessing the options, a range of issues were taken into account, including costs, the practical steps needed for each option, the AEC’s ability to carry out the different processes, maintaining the security of the process and effectiveness of the ballot, issues of disproportionality that would arise from a mixed ballot, and the amount of time that a postal, mixed or attendance ballot would take to conduct.

In terms of costs, the AEC estimated that a full postal ballot would cost approximately $70,000 and a mixed ballot approximately $85,000. By contrast, a full attendance ballot using the AEC model would have cost approximately $250,000, while the model originally proposed by Mr Battese (involving more frequent visits to workplaces) would have cost almost $1.1 million. A full attendance ballot would take longer to run than a postal ballot or mixed option and would involve more staff including from other areas of the AEC.

In the course of proceedings, counsel for Mr Cook had suggested that the NSW Police be enlisted to assist with the conduct of an attendance ballot. Having analysed that proposal, the AEC anticipated major logistical, time-frame, security and budgetary implications as well as the fact that such a proposal would need to be sanctioned by both the Commonwealth and NSW governments. Given the time and cost involved, the proposal was simply not tenable. Justice Moore determined that the election would be conducted by a full postal ballot, using the additional security measures proposed by the AEC,
except that voters at 7 Sydney metropolitan mail centres were to be offered a choice of voting by post or by attending an AEC office.

Except for some specific directions regarding matters such as the wording on ballot papers, producing wall posters for bulletin boards in multiple languages, and general wording regarding the security measures proposed by the AEC, Justice Moore determined that the election would be run in accordance with the rules of the organisation.

The AEC followed His Honour’s directions exactly. Where judgement in relation to interpreting the rules was required, independent legal advice was sought.

**CONDUCT OF THE FRESH ELECTION**

While the fresh election was conducted under considerable pressure, it was carried out both professionally and successfully by the Returning Officer concerned.

**The nomination period**

Justice Moore’s orders called for the nomination period to be from 22 July 1996 to 12 noon on 19 August 1996.

Nominations were called for by:

- A notice which was reproduced on a special newsletter by the Division Executive of the union and circulated at each workplace;

- A notice published in the *Sydney Morning Herald* and the *Daily Telegraph* on Monday 22 July 1996.

Out of a total of 57 nominations for various positions, four candidates were found ineligible to stand as a result of failing to satisfy the financial membership requirements for nomination. Those candidates included Messrs Battese and Cook.

In accordance with the requirements of the Industrial Relations Act, the Returning Officer wrote to each of the four nominees, advising them of the situation and giving them the opportunity to remedy the defect. Legal advice was also obtained to determine that the Returning Officer’s interpretation of the rules was correct. Subsequently, each nomination was rejected.

Given the likely contentious nature of the Returning Officer’s decision, the AEC sought leave to apply to the Court for a definitive interpretation of the relevant rule and, if necessary, a variation of the Orders of the Court. The Court ruled that it was more appropriate for the Returning Officer to make the decision in the first instance.
Subsequently, both Mr Cook and Mr Battese lodged an Application for an Inquiry Relating to an Election, alleging that rejection of their respective nominations due to the Returning Officers’ interpretation of rule 68(a) constituted an irregularity. At a hearing conducted on Friday 6 September 1996, the Court found the AEC’s interpretation to be correct and that no irregularity had occurred. Mr Cook subsequently sought leave to appeal to the Full Bench of the Court but was unsuccessful. The ballot proceeded as scheduled.

Mr Cook then contacted the Returning Officer suggesting that seven candidates were ineligible to stand as candidates in the election because they were no longer employees in a relevant area or officials of the union (the seven had previously been officials, but had been discharged from office by Order 5 of the Court’s orders). The AEC’s legal advice, however, was that while the rules of the organisation required a person to be employed in the industry in order to join the union, there was no requirement to remain so employed in order to maintain eligibility for membership subsequently.

In light of events in the 1994 election, the AEC met with the Australian Federal Police to discuss the process to be followed in the event that further allegations of fraudulent activity were received.

**Complaint received**

As it turned out, no complaints alleging fraudulent activity were received during the election. Three complaints were received that false statements or accusations about candidates were being distributed on “smear sheets”. All were referred to the AFP. The Australian Government Solicitor advised the AEC that action was not open to the Returning Officer because the actions complained of did not constitute an irregularity as defined in section 4 of the Industrial Relations Act.

On 12 September 1996, the Returning Officer received from Mr Dominello, solicitor for Mr Quentin Cook, a letter requesting that the AFP provide an officer to attend mail centres for the purpose of

> “educating the members of offences relating to ballot collection and electoral fraud . . .”

A copy of the letter had also been sent to three Cabinet ministers.

Following advice from the Australian Government Solicitor, the Returning Officer contacted both the Australian Federal Police and Australia Post and was advised that Mr Dominello had also raised the matter with them.

The AEC responded, in accordance with legal advice, that it did not intend to ask the AFP to take the action requested. The AEC proposed instead to follow
the Court’s orders, which provided for multi-lingual pamphlets (serving the same educative purpose) to accompany ballot material.

On 11 October 1996 the Returning Officer received copies of documents relating to allegations made by Messrs Battese and Cook to Australia Post about willful mail delays.

Mr Cook and Mr Battese were subsequently interviewed by the AFP in regard to those allegations. It is the AEC’s understanding that the matter went no further.

Security Measures

In order to comply with Justice Moore’s orders regarding security measures, the Returning Officer wrote to and subsequently met with representatives of Australia Post. On 29 and 30 July 1996, the Returning Officer and Australia Post representatives inspected seven metropolitan mail centres, at which time the Returning Officer also posted multi-lingual notices at various locations in accordance with the court orders. Camera and video installations at each of the mail centres were also inspected.

On 28 August 1996, the Returning Officer met with Australia Post officials to discuss security procedures to be adopted in the Mail Centre at all stages of the ballot. Those arrangements were subsequently formally confirmed.

Subsequently, a second multi-language notice was placed on the notice boards by an AEC official at the seven Mail Centres.

The ballot material, comprising 18,683 items contained in 96 trays, all of which were delivered by the Returning Officer and an assistant, were posted at Turrella Mail Centre at 11 am on Monday 16 September 1996. A total of six security cameras were in operation. Tamper-proof envelopes, purchased by the AEC and designed to comply with the Court’s orders, were used.

Under the court orders, voters at seven mail centres were offered the choice of voting by post or attending their nearest AEC office to vote. This involved a total of 3,600 members, of whom 208 elected to vote at an AEC office. Of those 208 people, subsequently only 60 voted at an AEC office, with a further 18 changing their minds and electing to receive a postal ballot.

Preparation of ballot material

Voting lists were transferred onto the AEC’s Rollmaker computer system and the list of voters was randomly numbered.

As with every industrial election, a copy of the roll was made available to members of the union (those members entitled to vote) for inspection or copy. Three candidates requested and were provided with copies of the roll. During the course of the election, Mr Battese and Mr Cediso Parissi contacted the
Returning Officer suggesting that “opponents” had been given access to a voting list which enabled them to produce envelopes with the names printed in the same manner as on the envelopes issued by the Returning Officer and to split the lists up into “different areas” of Australia Post and Telstra, whereas the disks with which they were provided had the names and addresses in a different form. In fact, each person was provided with exactly the same information in the same format. Such complaints serve to illustrate the pressures under which Returning Officers sometimes operate.

The scrutiny of the ballot

The scrutiny was conducted over twelve working days, commencing on 14 October 1996. Mark-back of the roll, using Rollmaker, and all signature checks were completed after seven working days, consistent with the Court’s orders. A total of 8,609 envelopes were returned, of which 196 were rejected at preliminary scrutiny.

Other matters

The final cost of the election was $91,603.77

Even after the issue of Court Orders on 21 June 1996, the AEC was required to appear in Court on no less than eleven occasions. Attention to these matters required a number of discussions or meetings with the Australian Government Solicitor and in some instances, with counsel.

The election was conducted by one of the AEC’s most experienced industrial returning officers, Mr Kevin Masters. Mr Masters has represented Australia in assisting other nations with their electoral processes, most recently the Government of Fiji. He described the election as being the most difficult, contentious and stressful election he has ever conducted.
Appendix D - Declaration Voting - Examples of Current Declaration Systems

Some examples of different declaration provisions required by the rules of organisations are provided below:

- **Finance Sector Union of Australia.** A voter seals the ballot paper inside a “ballot paper” envelope and then encloses that envelope inside a reply paid envelope. The voter places his or her name, place of employment and signature on the inside flap of the reply paid envelope.

- **Communications, Electrical and Plumbing Union.** A voter seals the ballot paper inside a “ballot paper” envelope and then encloses that envelope inside a declaration envelope. The declaration envelope is sealed and the voter writes his or her name, address and signature on the back of the declaration envelope. The declaration envelope is then sealed inside a reply paid envelope.

- **The Australian Workers Union.** A voter seals the ballot paper inside a “ballot paper” envelope and places that envelope inside a reply paid envelope. The voter places his or her signature (only) on the back of the reply paid envelope.

- **Australian Education Union.** A voter in the Tasmanian Branch is required to sign a counterfoil envelope, which is returned enclosing the ballot paper. A voter in NSW is required to declare on the back of the reply paid envelope that they are a financial member of the branch entitled to vote in a particular election.
Appendix E

to AEC Submission to
JSCEM on the Conduct of
Industrial Elections

Appendix E - Legal Advice Concerning The Introduction Of
Standardisation Of Election Rules