

Joint Standing Committee
on Electoral Matters



PARLIAMENT OF
NEW SOUTH WALES

Adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election



Report 3/57 – November 2022

New South Wales Parliamentary Library cataloguing-in-publication data:



A catalogue record for this
book is available from the
National Library of Australia

ISBN: 978-1-925214-24-6

The motto of the coat of arms for the state of New South Wales is "Orta recens quam pura nites". It is written in Latin and means "newly risen, how brightly you shine".

Contents

Membership	ii
Chair’s foreword	iii
Findings and recommendations	iv
Chapter One – Funding for the NSW Electoral Commission for the 2023 State General Election	1
NSW Electoral Commission funding arrangements	2
2023 State General Election	3
Chapter Two – Ongoing funding for the NSW Electoral Commission	11
Impact of prior funding arrangements	11
Accessing funding through other means	12
Changes to Budget processes are ongoing	13
Cyber security challenges are increasing	14
Specialised nature of the NSW Electoral Commission's systems	15
Implementation of previous Committee recommendations	17
Appendix One – Terms of reference	19
Appendix Two – Conduct of inquiry	20
Appendix Three – Submissions	21
Appendix Four – Witnesses	22
Appendix Five – Extracts from minutes	23
Appendix Six – Glossary	34

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Chair's foreword

It is my pleasure to present the Joint Standing Committee on Electoral Matters' report on its inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election.

The NSW Electoral Commission (the Commission) plays a key role enabling democracy in State and local government elections. Adequate funding for the Commission is important to ensure that elections in NSW are conducted to the highest standard and with the utmost integrity.

The Committee is pleased to find that the funding allocated to the Commission appears to be adequate for it to properly conduct the upcoming 2023 State General Election. The Committee recognises the vital role a well-funded Electoral Commission plays in running elections in a fair manner and to a high standard. Submissions noted possible ramifications around integrity and cyber security if the Commission's funding was not adequate. The Committee commends the Government for taking this into account and providing the Commission additional funding that it requested.

However, while the Committee considered that funding for the 2023 State General Election is satisfactory, the current funding levels remain inadequate to address longer-term issues. The Committee heard that a lack of adequate funding creates pressures on ageing systems and exacerbates existing cyber security vulnerabilities. To address this, we have recommended that the Commission be provided with additional funding in upcoming budgets to address long-term systemic issues.

We accept the Commission's arguments that it is challenging to maintain and update systems with the current funding arrangements. Therefore, we have recommended that additional funding be provided to the Commission, particularly in those years where there is not a major event such as a State General or local government elections. This will allow the Commission to work on upgrading its systems and other projects while there is more capacity across the organisation.

The Committee notes the ongoing concerns from stakeholders about the electronic voting system that was, until recently, used in NSW elections, iVote. We support the decision not to use iVote in the upcoming general election. However, it is important that NSW electors have alternative, accessible and secure voting platforms and tools available to them for future elections, particularly people with disability.

I would like to thank the Commission for its assistance throughout this inquiry and want to acknowledge the work of the NSW Electoral Commissioner, Mr John Schmidt, and the Commission more widely for their work to ensure robust, fair and democratic elections. I also want to thank all of the stakeholders who made submissions and who appeared as witnesses at the public hearing for this inquiry. Your input was invaluable in informing the Committee's final findings and recommendation.

Lastly, I would like to thank the other members of this Committee for their support and dedication throughout this inquiry, and the Committee secretariat for its ongoing assistance.

Lee Evans MP
Chair

Findings and recommendations

Finding 1 _____ 1

The Committee accepts that the funding allocated to the NSW Electoral Commission in the NSW Budget 2022-23 is adequate for the Commission to conduct the 2023 State General Election.

Finding 2 _____ 11

The Committee finds that in non-election years, funding shortfalls have impacted the Commission's capacity to keep its systems current and up to date. This has resulted in noncompliance with NSW Government standards, particularly in relation to cyber security.

Finding 3 _____ 11

The Committee finds that increased funding during non-election years would enable the NSW Electoral Commission to upgrade its systems and processes, including those in relation to cyber security, and promote ongoing compliance with NSW Government standards.

Recommendation 1 _____ 11

The Committee recommends that additional funding be allocated to the NSW Electoral Commission in future NSW Budgets, including in those years when the Commission is not expected to conduct State or local government elections.

Chapter One – Funding for the NSW Electoral Commission for the 2023 State General Election

- 1.1 This Chapter looks at the funding requirements for the NSW Electoral Commission (the Commission) to successfully run the 2023 State General Election. It examines the funding allocation to the Commission in the NSW Budget 2022-23.

Finding 1

The Committee accepts that the funding allocated to the NSW Electoral Commission in the NSW Budget 2022-23 is adequate for the Commission to conduct the 2023 State General Election.

- 1.2 The Committee is pleased to find that the funding allocated to the Commission appears to be adequate for it to properly conduct the upcoming State General Election.
- 1.3 The Commission raised several concerns when providing evidence in this inquiry. The Committee notes that these concerns appear to have been taken into account by the Government in their allocation of funding for the 2022-23 financial year.
- 1.4 The Committee considers that the Commission's funding requests were reasonable, and commend Treasury for approving them. The NSW Electoral Commissioner (the Commissioner) provided positive feedback to the Committee about the amount of funding allocated to the Commission in the 2022-23 Budget.
- 1.5 The Committee recognises that the Commission incurs a varied scope of costs in order to run an election to a suitably high standard, and that these costs are increasing. The increasing complexity of running elections and the inherent costs compounds this. Some of the amounts highlighted by the Commission, such as those for the administration of the iVote electronic voting system, may no longer be relevant in the 2023 State General Election. Nevertheless, we accept the arguments of the Commission that similar funding will be required to implement and administer replacement voting options.
- 1.6 The Committee commends the Commission for its adaptability as changes are made to how elections are administered in NSW, such as those introduced by the recent *Electoral Legislation Amendment Act 2022*. The majority of stakeholders in this inquiry stated support for the work of the Commission. The Committee recognises the importance of having a strong, well-funded Electoral Commission, and appreciates the efforts made by the Commissioner and by Commission staff to run effective and efficient elections.

NSW Electoral Commission funding arrangements

- 1.7 The Commission is constituted as a three-member statutory authority under the *Electoral Act 2017 (the Electoral Act)*. The Commission has the function of:
- under the *Electoral Act* – conducting elections, registering political parties, and maintaining the electoral roll for NSW;
 - under the *Electoral Funding Act 2018* – administering the election funding, expenditure, and disclosure scheme, including registering electoral participants for the purposes of that scheme and enforcing breaches of electoral legislation in relation to both funding and the conduct of elections
 - under the *Lobbying of Government Officials Act 2011* – maintaining the Register of Third-Party Lobbyists and Lobbyists Watch List, and enforcing obligations relating to lobbying.¹
- 1.8 This chapter largely focusses on the Commission's functions and responsibilities to conduct State General Elections, in particular the upcoming election scheduled for 2023.
- 1.9 A State General Election in NSW involves more than 5 million voters, who require over 30 million ballot papers across the state. To facilitate this, the Commission employs 30 000 temporary staff, and procures approximately 2 500 temporary venues in metropolitan, regional, and remote areas of NSW to create voting and count centres. The Commission does a significant amount of work in printing, delivering and tracking the ballot papers, and in furnishing the voting and count centres, including setting them up with secure IT infrastructure.²
- 1.10 The Commission receives an initial Budget allocation to conduct State General Elections from Treasury in the Forward Estimates. The Commission noted that this allocation is based on the costs of previous elections. However, the Commission suggested that the cost of delivering elections has been increasing due to external factors that are beyond the Commission's control.³
- 1.11 The initial Budget allocation to the Commission for planning and conducting the 2019 State General Election was \$55.2 million, delivered over two years. This was based on the initial Budget allocation for the 2015 State General Election, with consumer price index adjustments. Following a review of the costs to run the 2019 Election, the Commission found that an additional \$31 million would be required for the election to be run successfully, and submitted a funding bid to Treasury with the additional money included.
- 1.12 This additional funding was required to cover factors including:
- an alignment of pay rates and employment conditions for casual staff in line with relevant legislation

¹ [Submission 7](#), NSW Electoral Commission, p 6.

² [Submission 7](#), NSW Electoral Commission, p 17.

³ [Submission 7](#), NSW Electoral Commission, p 17.

- an upgrade of IT infrastructure, including mobile devices, wireless networking and hardware, server infrastructure, and software certification
- certain venue costs increasing above the consumer price index and the need to secure a new count centre
- an increase in the number of electors on the roll, which resulted in increased costs for staffing, venues, IT infrastructure, and ballots
- an increase in postage costs.⁴

1.13 The Commission received additional funding of \$22.3 million to deliver the 2019 Election, but suggested that this did not cover all the items noted in its Budget submission. The Commission considered that the unfunded items were 'essential to the conduct of a safe and robust election.'⁵ As a result of the funding shortfall, the Commission met the additional security and staffing-related costs by using an unallocated carry-forward of \$1.5m in State funding. This was originally provided to run the 2017 local government elections. Other costs were met by reducing expenditure across the Commission's other projects.⁶

2023 State General Election

1.14 In its submission, the Commission stated that it had concerns that there were similar problems with the initial funding allocation for the administration of the 2023 State General Election. The Commission was allocated \$89.054 million, but had estimated costs of \$140.8 million. This meant there was a funding gap of \$51.7 million. The Commission also noted that this estimate did not include funding to address health and safety risks associated with running an election during the COVID-19 pandemic.

1.15 The Commission explained that it had identified \$1.2 million funding internally to address part of the shortfall for the 2023 State General Election funding. It also sought an additional \$50.5 million in its submission to NSW Treasury as part of the 2022-23 Budget process.⁷

1.16 The following table shows the constituent elements of the funding shortfall:

Elements of the funding gap identified by the Electoral Commission for the 2023 State General Election⁸

<i>Item</i>	<i>Funding gap (\$m)</i>
<i>Technology – Infrastructure</i>	12.7
<i>Technology – Systems</i>	9.8
<i>Venue procurement and logistics</i>	6.4

⁴ [Submission 7](#), NSW Electoral Commission, p 18.

⁵ [Submission 7](#), NSW Electoral Commission, p 18.

⁶ [Submission 7](#), NSW Electoral Commission, p 18.

⁷ [Submission 7](#), NSW Electoral Commission, p 19.

⁸ [Submission 7](#), NSW Electoral Commission, pp 19-20.

<i>Item</i>	Funding gap (\$m)
<i>Election programme</i>	5.8
<i>Staffing and training</i>	4.9
<i>Event assurance</i>	3.1
<i>Attendance and non-attendance voting</i>	2.8
<i>Candidates and parties</i>	1.9
<i>Counting and results</i>	1.6
<i>Event financial management</i>	1.3
<i>Communications and engagement</i>	0.6
<i>Ballot papers</i>	0.5
<i>Customer service</i>	0.4
<i>Total funding gap</i>	51.7

1.17 A more detailed breakdown of the elements are as follows⁹:

Technology – infrastructure

- Renewing software licensing to ensure that the Commission is compliant with all licensing requirements.
- Retendering for supply of computer hardware for the Election Manager Office Hardware.
- Replacing hardware and engaging a network supplier to design, install and manage network services.
- Additional costs due to the compressed timeframe of procuring Network and Election Manager Office Hardware and planning for the delivery of the 2023 State General Election relatively shortly after holding the delayed 2021 Local Government Elections.

Technology – systems

- Increasing costs to maintain aging election systems including, technical specialists, elections staff, contractors, and service providers.
- Configuring, testing and updating iVote.
- Updating the system for online nominations, and costs associated with developers and testing.

Venue procurement and logistics

- During the previous State General Election in 2019, the Commission combined the operations of the centralised postal centre with the centralised

⁹ [Submission 7](#), NSW Electoral Commission, pp 20-21.

declaration vote centre. This caused delays, operational failures and staff WHS and well-being concerns. To rectify this, the Commission requires additional operational centres for postal voting.

- Procuring secondary office accommodation for various operations and business continuity planning.
- Venue costs, and supply and logistics costs have increased above consumer price index increases.

Staffing and safety

- A new model for staffing and remuneration has been introduced to ensure that the Commission will meet work, health and safety obligations and provide fair payment to temporary workers.

Event assurance

- Funding required for the Commission to work towards compliance with NSW Government cyber-security policy.
- Business continuity planning including Business Impact Assessment, continuity testing and security risk assessment.

Attendance and non-attendance voting

- Licensing costs, accessibility testing, and additional support for iVote operations.
- Supporting engagement with priority elector communities, improving standard operating procedures, updating documentation, and providing on-site support to election officials.

Candidates and parties

- Resourcing for a business analyst and testing for updating the online candidate nomination system.
- Greater engagement with political participants through increasing the candidate enquiry centre, seminars, webinars and communications, and improving legislative knowledge to respond to complex inquiries.

Counting and results

- Increase the use of contingent workforce and temporary staff to decrease the reliance on Head Office staff and operate an additional site to count postal votes centrally.

Event financial management

- Engage key financial project staff to ensure effective financial governance and reporting.

Communications and engagement

- Ongoing funding required to maintain and support the Commission's website during the election.

Customer service

- Provide for in-house telephone support for internal operations and an outsourced call centre to ensure that electors are properly supported.

- 1.18 The Commission also highlighted some additional costs that had come to light since they made their submission as part of evidence given at the Committee's public hearing.
- 1.19 The Commissioner noted that \$4.3 million of the funding request he had made related to costs associated with iVote. iVote will not be used in the 2023 State General Election, but the Commissioner stated that he wished to retain the funding. This is because there would be a consequential increase in other costs due to iVote not being a voting option, for example, the costs associated with increased attendance and postal voting.¹⁰ In particular, he noted the challenge of getting ballot papers to and from interstate and overseas voters who would have otherwise used iVote.¹¹
- 1.20 The Commissioner also highlighted the potential costs that would be incurred if changes proposed by the Electoral Legislation Amendment Bill 2022 were enacted. Among other things, the Bill aimed to shorten pre-polling from two weeks to one. The Commissioner explained that this would mean that their systems would need to be adjusted to properly administer this change, and that this would require significant testing, both which would come at an additional cost.
- 1.21 There would also be a consequential change in staffing arrangements, with more staff being required for a shorter period of time. Given the increase in people voting on election day, there was also the possibility that more, and larger venues would be required.¹²
- 1.22 Another change proposed by the Bill was the inclusion of party logos on ballot papers. Again, the Commissioner highlighted that this would require changes to the ballot production software. While these changes might not be significant, the Commissioner noted that there are challenges associated with modifying older systems, and resources would have to be reallocated to implement the changes.¹³
- 1.23 The Electoral Legislation Amendment Bill passed Parliament on 19 October 2022, enacting the shorter early voting period and preventing the use of iVote for the 2023 State General election and any by-elections in 2022. The provisions enabling

¹⁰ Mr John Schmidt, NSW Electoral Commissioner, [Transcript of evidence](#), 13 May 2022, p 23.

¹¹ Mr John Schmidt, NSW Electoral Commissioner, [Transcript of evidence](#), 13 May 2022, p 24.

¹² Mr John Schmidt, NSW Electoral Commissioner, [Transcript of evidence](#), 13 May 2022, p 25.

¹³ Mr John Schmidt, NSW Electoral Commissioner, [Transcript of evidence](#), 13 May 2022, p 30.

logos to be included in ballot papers were also included in the final bill, however, these provisions will not come into force until 1 October 2024.¹⁴

- 1.24 In addition to the specific funding requirements for the 2023 State General Election, the Commission explained that it had submitted four other parameter and technical adjustments (PTAs) in the 2022-2023 Budget process. The PTAs were intended to support the effectiveness of the office and the running of the 2023 General Election. They were:
- \$9.7 million to increase the Commission's Labour Expense Cap and fund 60 identified positions to provide a more stable and sustainable staffing structure to ensure delivery of the Commission's core functions.
 - \$1.7 million for an increase in temporary workforce to meet the demand of running the 2023 State General Election and recent by-elections in a compressed timeframe due to the delay of the Local Government Elections in 2020 and 2021.
 - Funding to complete the delivery of the Funding and Disclosure Online system.
 - \$13.7 million to provide the legislated funding for claims made by political parties and candidates under the *Electoral Funding Act 2018* Election Campaign Fund.¹⁵
- 1.25 In response to questions taken on notice at the public hearing, the Commission identified two further PTAs that it had submitted to Treasury:
- \$3.9 million to convert approved capital funding to operational funding to complete the Voting Centre Device Refresh project.
 - An adjustment of the Commission's longer-term budget to better prepare for potential future major election events.¹⁶
- 1.26 In the 2022-2023 Budget, the Government implemented new funding arrangements for the NSW integrity agencies, including the Commission. Some of the changes made were:
- The Commission was removed from the Premier and Cabinet cluster financial management processes.
 - A specialist unit was established within NSW Treasury to manage representations for budget and supplementary funding and to provide information on funding outcomes to the Commission.

¹⁴ [Electoral Legislation Amendment Bill 2022](#)

¹⁵ [Submission 7](#), NSW Electoral Commission, p 27.

¹⁶ [Answers to questions on notice](#), NSW Electoral Commission, 1 June 2022, pp 8-9.

- Efficiency dividends were not imposed on the Commission.¹⁷

- 1.27 The Commission noted that it had not made any changes to its funding submissions following the implementation of the revised funding model.¹⁸
- 1.28 After the passing of the NSW Budget 2022-23, the Committee sought feedback from the Commission about its funding submissions. In his reply, the Commissioner indicated that he was, 'pleased to advise that each of these funding submissions was approved in full'.¹⁹
- 1.29 The Commissioner also noted that the Commission had been provided with funding to develop a Systems Modernisation business case, which will be submitted to Government in 'early 2023'. The Commissioner stressed the importance of this funding to upgrade the Commission's election and other IT systems.²⁰ We will discuss these systems further in Chapter Two.
- 1.30 The Commissioner also outlined the Commission's experience with the new funding model. He noted that, given the limited time to implement this new model prior to the 2022-2023 Budget, its engagement was 'similar to previous years'.²¹ However, the Commissioner did highlight that the Commission had more engagement with the advice given to the Expenditure Review Committee of Cabinet (the ERC) than they had previously:

Treasury's advice to the ERC was made available to the Commission prior to the ERC meeting. The Commission was able to comment on this Treasury advice and provide clarification and/or further substantiation ... this Commission input was then provided to the ERC to inform its deliberations on our funding submissions.²²

Supporting robust, effective and efficient elections

- 1.31 The majority of stakeholders who made submissions noted the importance of having a robust and effective Electoral Commission to ensure that elections in NSW are run fairly and to the highest standard. The Liberal Party of Australia – New South Wales Division stated:
- Fair, democratic elections are the cornerstone of the Australian and NSW political systems and as such the Party is naturally concerned with ensuring that elections, including preparations, are undertaken to the highest standard, both to ensure ongoing community confidence in NSW electoral processes and in enabling and assisting political organisations and candidates to contest elections in a fair and easy manner.²³
- 1.32 The Information and Privacy Commission noted the risks if the Commission did not receive the requested funding. In particular, they highlighted the 'serious

¹⁷ [Government response to Public Accountability Committee Final Report Budget process for independent oversight bodies and the Parliament of New South Wales, Report 7](#), 9 May 2022, pp 1-2.

¹⁸ [Answers to questions on notice](#), NSW Electoral Commission, 1 June 2022, pp 7-9.

¹⁹ [Correspondence providing feedback on the 2022-23 Budget](#), NSW Electoral Commission, 29 June 2022, p 1.

²⁰ [Correspondence providing feedback on the 2022-23 Budget](#), NSW Electoral Commission, 29 June 2022, p 2.

²¹ [Correspondence providing feedback on the 2022-23 Budget](#), NSW Electoral Commission, 29 June 2022, p 2.

²² [Correspondence providing feedback on the 2022-23 Budget](#), NSW Electoral Commission, 29 June 2022, p 2.

²³ [Submission 8](#), The Liberal Party of Australia – New South Wales Division, p 1.

implications ... for the integrity of conducting elections if the [Commission] is underfunded'.²⁴ They argued that funding requests from the Commission should be prioritised to ensure that these risks are mitigated.

- 1.33 Several stakeholders raised concerns about the threat posed by people who want to influence elections, and the importance of cyber security. The Greens NSW noted the risk of foreign interference in any upcoming NSW elections. They argued that the Commission should be adequately funded to guard against these threats. The Greens also raised concerns about the adequacy of the Commission's current IT systems:

Besides the obvious performance concerns, it is also reasonable to assume that aging systems are less robust against malicious actors, whether local or foreign. Compounding those concerns is the limited time available before the election period to install and, especially, test any updated system hardware and software. Inadequately tested systems pose additional risks to election integrity.²⁵

- 1.34 The Information and Privacy Commission also supported the Commission receiving additional funding to ensure that any digital innovations or modernisation of election systems works to improve their cyber security. It stressed the importance of the Commission's obligations under section 12 of the *Privacy and Personal Information Protection Act 1998*. This provides that public sector agencies that hold personal information must ensure that information is protected against loss, unauthorised access, use, modification or disclosure, and all other misuse.²⁶

- 1.35 The Audit Office of NSW noted the importance of the work done by the Commission in running elections and that 'under-funding this function could have serious implications'.²⁷ The Office conducted an audit which examined the effectiveness of the financial arrangements and management practices in four integrity agencies, which included the Commission. The audit noted that the Commission's requests for additional funding are assessed against the government's other priorities. The Auditor-General concluded that the Commission's 'role transcends these immediate priorities and there is a risk that its funding requirements may not be prioritised'.²⁸

- 1.36 The audit also found that the Commission's 'management practices are suitable for its needs. Its internal budgeting processes and efficiency programs are clear and well documented'.²⁹ It noted that options to improve operational and corporate efficiency had been identified, but they had not all been implemented.

²⁴ [Submission 2](#), Information and Privacy Commission, p 2.

²⁵ [Submission 5](#), The Greens NSW, p 3.

²⁶ [Submission 2](#), Information and Privacy Commission, p 2.

²⁷ [The effectiveness of the financial arrangements and management practices in four integrity agencies](#), Audit Office of NSW, October 2020, p 24.

²⁸ [The effectiveness of the financial arrangements and management practices in four integrity agencies](#), Audit Office of NSW, October 2020, p 24.

²⁹ [The effectiveness of the financial arrangements and management practices in four integrity agencies](#), Audit Office of NSW, October 2020, p 8

- 1.37 Chapter Two of this report further discusses the Commission's cyber security and modernisation processes.

Chapter Two – Ongoing funding for the NSW Electoral Commission

- 2.1 This Chapter considers the challenges faced by the NSW Electoral Commission (the Commission) due to the current funding arrangements. In particular, it examines the impact of funding shortfalls during non-election years and the impacts this has had on the Commission's IT and other business systems.

Impact of prior funding arrangements

Finding 2

The Committee finds that in non-election years, funding shortfalls have impacted the Commission's capacity to keep its systems current and up to date. This has resulted in noncompliance with NSW Government standards, particularly in relation to cyber security.

Finding 3

The Committee finds that increased funding during non-election years would enable the NSW Electoral Commission to upgrade its systems and processes, including those in relation to cyber security, and promote ongoing compliance with NSW Government standards.

Recommendation 1

The Committee recommends that additional funding be allocated to the NSW Electoral Commission in future NSW Budgets, including in those years when the Commission is not expected to conduct State or local government elections.

- 2.2 The Committee acknowledges the arguments made by the NSW Electoral Commissioner (the Commissioner) that funding arrangements prior to the NSW Budget 2022-23 have hampered the Commission's capacity to keep its systems up to date. The majority of funding provided to the Commission has been spent on running major events, including State General and by-elections, and Local Government elections. In years without these major events, their funding has been inadequate to implement and upgrade the Commission's business systems.
- 2.3 The Committee supports additional funding being provided to the Commission, including in years without major scheduled events. This should give the Commission the opportunity and funds to upgrade its systems. In particular, the Committee is concerned about the growing risks posed by insufficient cyber security, and additional funding should enable the Commission to progressively address its cyber security shortcomings.
- 2.4 The Committee also notes that the Commission has not fully implemented recommendations made by this Committee in previous inquiries. This is another area where additional funding would assist the Commission to maintain a modern and robust election system.

- 2.5 The Committee heard evidence that, prior to the NSW Budget 2022-23, there were ongoing issues with the allocation of funding to the Commission. These issues have made it difficult for the Commission to operate optimally. Although adequate funding has been provided in the NSW Budget 2022-23, as discussed in Chapter 1, previous funding shortfalls resulted in substantial issues with the Commission's existing systems. Addressing these issues will require ongoing funding.
- 2.6 The Commission's immediate priority is the delivery of the 2023 State General Election. Funding submissions granted as part of the NSW Budget 2022-23 will help to address issues related to the 2023 State General Election, but this funding will not be enough for longer-term work.³⁰ The Commissioner has indicated that this ongoing need will result in a number of additional funding submissions in the future.³¹
- 2.7 Prior to Budget process changes introduced in 2022, the Commission has operated on an event-based funding model, where baseline funding only is provided in 'non-event' years, and the budget increased for major election 'event' years.³² The Commissioner repeatedly stated that this model was 'out of step' with the needs of the Commission, and that 'haphazard' funding was unsustainable, put pressure on ageing systems, and exacerbated existing resourcing issues.³³
- 2.8 These funding arrangements meant that the Commission continued to use legacy systems, which led to the accumulation of 'technological debt'. Because of this debt, foundational systems currently in use must be wholly updated or replaced before new systems (such as electronic mark-off) can be introduced.³⁴ The Committee heard that the age and capacity of the Commission's IT systems means there is an 'absolute limit' on new upgrades that can be introduced 'without endangering the whole'.³⁵
- 2.9 The Committee heard that planned long-term work will focus on modernising the Commission's existing systems and improving compliance with NSW Government policies, particularly cyber security policy. The Commission's submission stated that this work has not been done, to date, because the event-based funding model hasn't provided the sustained funding required to enable it.³⁶

Accessing funding through other means

- 2.10 In preparation for the 2023 State General Election, the Commissioner told us that the Commission was advised to apply for alternative sources of funding, such as through the Digital Restart Fund (DRF). The process of preparing applications for non-Budget funding sources put significant strain on the Commission's resources

³⁰ [Submission 7](#), NSW Electoral Commission, p 14.

³¹ [Correspondence providing feedback on the 2022-23 Budget](#), NSW Electoral Commission, 29 June 2022, p 1.

³² [Submission 7](#), NSW Electoral Commission, p 14.

³³ Mr John Schmidt, NSW Electoral Commissioner, [Transcript of evidence](#), 13 May 2022, p 23.

³⁴ [Submission 7](#), NSW Electoral Commission, p 13.

³⁵ Mr John Schmidt, [Transcript of evidence](#), 13 May 2022, p 23.

³⁶ [Submission 7](#), NSW Electoral Commission, p 15.

and took a long time. It was also unsuccessful in addressing the Commission's needs.

- 2.11 Following unsuccessful funding submissions in the 2021 Budget, the Commission's applications (particularly regarding legacy IT systems and cyber security uplift) were referred to the DRF.³⁷ The DRF is administered by the NSW Department of Customer Service and governed by the *Digital Restart Fund Act 2020*. It aims to facilitate and promote digital transformation across the NSW government sector and public agencies.³⁸
- 2.12 The Commissioner has previously stated that the Commission were initially told that they did not meet criteria for accessing the DRF. He also said that the Commission did not pursue the total amount of funding they needed from the DRF because they did not have the resources available to meet the business case requirements for a larger amount of money.³⁹
- 2.13 The Commissioner acknowledged the 'cooperation and support [they] are getting from the Department of Customer Service',⁴⁰ but noted that application and decision timeframes meant this funding was made available too late to be useful in preparing for the 2023 State General Election.⁴¹ Additionally, the DRF doesn't provide funding for 'core changes' (such as the establishment of a cyber security operations centre), or for recurrent expenses, like staff costs.⁴²
- 2.14 The Committee acknowledges the work of the NSW Government in providing alternative funding avenues, especially for digital transformation. It appears, however, that these alternative means of accessing funding are not appropriate for addressing the Commission's ongoing needs. This view was also reflected in the Auditor-General's 2020 report, which found that there is no appropriate mechanism for the Commission to request additional funding outside of the Budget process.⁴³

Changes to Budget processes are ongoing

- 2.15 As of November 2022, changes to funding for independent agencies (such as the Commission) are ongoing. These changes include establishing a specialist unit within Treasury to liaise with the Commission about funding, and not imposing efficiency dividends on the Commission. As discussed in Chapter 1, the Committee is pleased to hear that these changes have delivered better Budget outcomes for the Commission in the 2022-23 financial year.⁴⁴

³⁷ [Submission 7](#), NSW Electoral Commission, p 13; Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 25.

³⁸ [Digital Restart Fund Act 2020](#), s4.

³⁹ Mr John Schmidt, NSW Electoral Commissioner, [Transcript of evidence](#), Legislative Council Budget Estimates, 4 November 2021, pp 38-39, 63.

⁴⁰ Mr Schmidt, [Transcript of evidence](#), Friday 13 May 2022, p 23.

⁴¹ [Submission 7](#), NSW Electoral Commission, p 14; Mr Schmidt, [Transcript of evidence](#), Friday 13 May 2022, p 23.

⁴² [Submission 4](#), Department of Customer Service, p 1; Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 25.

⁴³ New South Wales Auditor General, [Special report: The effectiveness of the financial arrangements and management practices in four integrity agencies](#), 20 October 2020, , p 27.

⁴⁴ [Correspondence providing feedback on the 2022-23 Budget](#), NSW Electoral Commission, 29 June 2022, p 1.

- 2.16 We are encouraged by the positive outcomes achieved so far. The Committee hopes that these changes can continue to deliver adequate funding to address the Commission's long term needs, particularly for cyber security uplift.

Cyber security challenges are increasing

- 2.17 The NSW Cyber Security Policy states that cyber security covers everything that is used to protect systems and associated information from 'compromise of confidentiality, integrity and availability'.⁴⁵

- 2.18 Many of the Commission's systems critical to the conduct and monitoring of elections now use cyber infrastructure. It is, therefore, vital for the Commission to be compliant with NSW cyber security standards and policies.

- 2.19 The number and complexity of cyber security issues continues to increase as technology develops. The Department of Customer service noted that:

All comparative jurisdictions in the developed world are facing identical difficulties implementing strengthened cyber security capabilities in an environment where cyber threats are rapidly expanding and evolving, and budgets are constrained.⁴⁶

- 2.20 This, in turn, generates more work for agencies to achieve and maintain compliance with cyber security standards and policies.

The NSW Electoral Commission is noncompliant with NSW Government cyber security policy

- 2.21 The Commissioner has raised the issue of the Commission's cyber security compliance in previous Budget submissions and appearances before parliamentary committees.⁴⁷ The Committee was concerned by the Commission's submission that cyber security funding has been 'inadequate, and the timeline to address these issues before 2023 State General Election [were] also inadequate'.⁴⁸

- 2.22 The Commissioner told us that, in his opinion, the greatest risk for the 2023 State General Election was not cyber security related, but potential failures in aging systems used in counting or voter mark-off. We were pleased to hear that the Commission is 'in a stronger position' than in 2019, and hope that ongoing funding will allow the Commission to continually strengthen its cyber security measures.⁴⁹

Ongoing funding will allow the NSW Electoral Commission to address cyber security issues

- 2.23 The NSW Information and Privacy Commission submitted that it is 'imperative that the [Commission] receives adequate funding' in order to maintain

⁴⁵ [Policy Statement](#), Digital.NSW, Cyber Security Policy, last updated 3 May 2022, last viewed 1 November 2022.

⁴⁶ [Submission 4](#), Department of Customer Service, pp 2-3.

⁴⁷ Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 21.

⁴⁸ [Submission 7](#), NSW Electoral Commission, p 32.

⁴⁹ Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 24.

appropriate cyber security safeguards for the 2023 State General Election and future elections.⁵⁰

Specialised nature of the NSW Electoral Commission's systems

- 2.24 A particular issue for the Commission is that many of their systems are specialised, which means they can be difficult to upgrade or replace.
- 2.25 It is important that these systems function efficiently and securely, because a failure could potentially impact the 'veracity or reliability' of an election result.⁵¹ The Committee considers that adequate funding into the future will allow the Commission to fully address issues with their systems and cyber security compliance.

iVote

- 2.26 In March 2022, the Commissioner issued a determination under section 162 of the *Electoral Act 2017* that technology-assisted voting, including iVote, would not be used in the 2023 State General Election.⁵²
- 2.27 The Commissioner explained that the current version of the iVote software used would be phased out in 2022/2023. The short 'runway' for configuring and testing a new version before March 2023 meant that he could not be confident an updated system adapted for elections in NSW would be ready in time.⁵³
- 2.28 Other stakeholders also raised concerns about the use of iVote, particularly in the recent local government elections held in December 2021. During these elections certain electors that were approved to use the iVote system were unable to access the system in order to cast a vote. As a result, the Supreme Court of NSW found that in three local government elections these issues were 'material to the outcome' of the elections.⁵⁴ Consequently, the Supreme Court declared that the elections for Kempsey, Singleton and Shellharbour Ward A were void.⁵⁵
- 2.29 Dr Vanessa Teague argued against the continued use of iVote, on the basis that it was:
- ... unreliable, unable to protect vote secrecy and, most importantly, incapable of detecting certain kinds of fraud or of producing verifiable evidence that such fraud has not occurred.⁵⁶

⁵⁰ [Submission 2](#), Information and Privacy Commission, p 2.

⁵¹ Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 24; [Submission 7](#), NSW Electoral Commission, p 32.

⁵² [Electoral Act 2017](#) (NSW), s162; [Determination that technology-assisted voting is not to be used](#), NSW Electoral Commissioner, 15 March 2022, last viewed 3 November 2022.

⁵³ NSW Electoral Commission, [Electoral Commissioner's determination – iVote will not be used for 2023 NSW State election](#), media release, 16 March 2022, last viewed 3 November 2022.

⁵⁴ [NSW Electoral Commissioner v Kempsey Shire Council \(No 2\) \[2022\] NSWSC 282](#), Supreme Court of New South Wales, 17 March 2022, Paragraphs 84 – 86.

⁵⁵ NSW Electoral Commission, [Statement: Supreme Court judgment concerning iVote and the 2021 Local Government elections](#), Media Release, 17 March 2022, viewed on 31 October 2022.

⁵⁶ [Submission 1](#), Dr Vanessa Teague, p 2.

- 2.30 The Commissioner recognised that the issues encountered at the local government elections were 'a major problem and a major failure'.⁵⁷ However, the determination of the Commissioner issued in March 2022 stated that:

The decision not to use iVote at the State general election in 2023 has not been driven by any concerns about cyber security matters in previous elections.⁵⁸

- 2.31 The Commissioner also stressed that, throughout the time that iVote was in operation, the Commission had never received sufficient resources to adequately support and develop the system. He told the Committee:

It goes to overall funding. ... iVote, like my other systems, has never properly been funded, so we have had to continually come back to seek more money because—and I think it is in the submission, where you will see some of the history of this, but I cannot remember the particular years—we would ask for additional money for staffing. We would not get the money for staffing, so iVote would scale up to 11 or more people for the elections, but as soon as the elections were over, we dropped right back to four. The system itself obviously evolves over time.⁵⁹

- 2.32 The Greens NSW shared the concerns raised by Dr Teague about the reliability of iVote and the risks to the integrity of elections. However, they also highlighted the importance of technology assisted voting being an option, particularly for people with disability or those who have difficulties voting by post. The Greens recommended that adequate funding be provided to develop a replacement electronic voting system for iVote that addresses the shortcomings of the previous system.⁶⁰

- 2.33 The Commissioner also noted that 'blind and low-vision people feel particularly disadvantaged with the absence of iVote'.⁶¹ Telephone voting will be available for people who require it, but this was not considered an ideal solution because of the lack of autonomy in the telephone voting process. Dr Teague also argued that the technology used for telephone voting may be similarly vulnerable to interference, as it uses similar technology to internet voting.⁶²

- 2.34 The Committee considers that the development of a suitable and secure replacement for iVote is another area where additional funding would be valuable to the Commission in years where there is not a major election event.

⁵⁷ Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 24.

⁵⁸ NSW Electoral Commission, [Electoral Commissioner's determination – iVote will not be used for 2023 NSW State election](#), media release, 16 March 2022, last viewed 3 November 2022.

⁵⁹ Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 23.

⁶⁰ [Submission 5](#), The Greens NSW, pp 3-4.

⁶¹ Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 24.

⁶² Dr Vanessa Teague, Adjunct Professor, Research School of Computer Science, Australian National University, [Transcript of evidence](#), 13 May 2022, p 16.

Implementation of previous Committee recommendations

Implementation of an electronic mark-off system

- 2.35 The Commission's aging systems and IT infrastructure has made it difficult for it to implement other improvements that have been recommended by this Committee in the past.
- 2.36 In its review of the administration of the 2019 NSW State Election, the Committee raised concerns about the performance of the electronic mark-off system at some early voting centres. The Committee recommended that the Commission 'review the reliability of the electronic mark-off system before the next NSW State election and make any necessary changes'.⁶³
- 2.37 The Government accepted this recommendation, and noted that the Commission intended to undertake further infrastructure upgrades before the 2023 State General Election, subject to the availability of adequate resources. The Commission had also advised that these upgrades would need to be extensive.⁶⁴
- 2.38 In May 2021 the NSW Government also asked the Commission to develop a late business case to implement real time electronic validation and electoral roll mark-off of all in-person voters in time for the 2023 State General Election, for urgent consideration and prioritisation in the 2021-22 Budget process.
- 2.39 In developing this business case, the Commission advised that additional work would be necessary to ensure that its workforce and IT infrastructure were fit for purpose and able to support the new system. The Commission also indicated that it required upgrades to support increased cyber security and better information and privacy management practices.
- 2.40 This business case was not funded, although a separate submission was made for funding through the DRF.⁶⁵
- 2.41 The Commissioner explained that because of the time pressures of the upcoming State General Election following delayed Local Government elections, and the complexity of dealing with aging systems, the Commission was unlikely to be able to implement full electronic mark-off:

We have never been able to develop full electronic mark-off, much as I think it would be a good idea, and now I have no capacity to do it anyway. This is yet another case where you could give me \$100 million and 100 staff to work on it, but it would not make sense to put the effort into developing electronic mark-off without fixing out the systems which run the elections more generally.⁶⁶

⁶³ Joint Standing Committee on Electoral Matters, [Administration of the 2019 NSW State Election](#), Report 1/57, October 2020, p 37.

⁶⁴ [NSW Government response](#) to Joint Standing Committee on Electoral Matters, Administration of the 2019 NSW State Election, Report 1/57, 28 April 2021, p 6.

⁶⁵ [Submission 7](#), NSW Electoral Commission, p 13.

⁶⁶ Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 21.

2.42 The Commissioner highlighted that the periods between elections are usually a good time to repair and upgrade systems, and implement and integrate new solutions. He stated:

Historically, the Commission has had a couple of big breaks between major election events. So, you have a General Election, and two years later you have a local government election, and then a break, and then the State. ... Those down times would historically be the opportunity, assuming you were given money to do it, to try and fix your systems and develop capabilities, like broader electronic mark off and ballot scanning.⁶⁷

2.43 The Committee notes the challenges faced by the Commission in dealing with their aging systems. As has been discussed, the 2022-2023 Budget provided adequate funding for the upcoming State General Election. The Committee also notes the Commission's evidence that non-election years provide an opportunity to focus more on upgrades. The Committee supports additional funding being provided to the Commission during these years to implement other recommendations made by this Committee.

⁶⁷ Mr Schmidt, [Transcript of evidence](#), 13 May 2022, p 30.

Appendix One – Terms of reference

That the Joint Standing Committee on Electoral Matters inquire into and report on the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election, and in particular, taking into account the latest advice around issues of electoral integrity arising from foreign interference in elections.

Appendix Two – Conduct of inquiry

On 25 November 2021, following a referral from the Legislative Council, the Committee resolved to inquire into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election.

The full terms of reference for this inquiry have been set out in Appendix One.

The Committee called for public submissions by issuing a media release and writing to key stakeholders. The closing date for submissions was 11 February 2021.

The Committee received eight submissions from stakeholder organisations and individuals. A complete list of the submissions received can be found in Appendix Three.

The Committee held a public hearing on 13 May 2021 at Parliament House, Sydney. Ten witnesses provided oral evidence to the Committee. These included representatives from the NSW Electoral Commission, NSW Treasury and the Australian National University.

A list of the witnesses who appeared before the Committee can be found in Appendix Four.

Following the 2022-2023 NSW Budget, the Committee sent further correspondence to the NSW Electoral Commissioner. His reply was published on the Committee's [webpage](#).

Appendix Three – Submissions

No.	Author
1	Dr Vanessa Teague
2	Information and Privacy Commission
3	The Hon. Jonathan O'Dea MP
4	Department of Customer Service
5	The Greens NSW
6	Audit Office of New South Wales
7	NSW Electoral Commission
8	Liberal Party of Australia - NSW Division

Appendix Four – Witnesses

13 May 2022

Parliament House, Jubilee Room, Sydney, NSW

Witness	Position and Organisation
Mr Mark Howard	Executive Director ICT Investment and Assurance, Department of Customer Service
Mr Greg Wells	NSW Government Chief Information and Digital Officer , Department of Customer Service
Mr Tony Chapman	NSW Government Chief Cyber Security Officer , Department of Customer Service
Ms Cassandra Wilkinson	Executive Director, NSW Treasury
Dr Vanessa Teague	Adjunct Associate Professor, Research School of Computer Science, The Australian National University
Mr John Schmidt	NSW Electoral Commissioner, NSW Electoral Commission
Mr John Cant	Executive Director - Information Services, NSW Electoral Commission
Ms Andrea Summerell	Acting Executive Director - Elections, NSW Electoral Commission
Mr Matt Phillips	Executive Director - Corporate, NSW Electoral Commission
Ms Rachel McCallum	Executive Director - Funding, Disclosure & Compliance and General Counsel , NSW Electoral Commission

Appendix Five – Extracts from minutes

Minutes of meeting no 9

9.00 am, 25 November 2021

Macquarie Room and videoconference

Members present

Mr Evans (Chair), Mr Borsak, Mr Franklin, Mr Gulaptis, Mr Primrose, Mr Scully,
Ms Houssos (Webex), Ms Wilson (Webex)

Officers in attendance

Rohan Tyler, Leon Last, Ilana Chaffey, Ze Nan Ma

1. Apologies

Apologies were received from Ms Cusack, and Mr Smith.

2. Confirmation of minutes

Resolved, on the motion of Mr Franklin, seconded Mr Scully: That the draft minutes of meeting no 8, held on 26 October 2020, be confirmed.

3. ***

4. ***

5. New inquiry – The adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election

The Chair briefed the Committee on the Legislative Council referral of 11 November 2021 for an inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election.

Discussion ensued.

Resolved, on the motion of Mr Scully, seconded Mr Borsak:

- That the Committee conduct an inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election, as per the referral contained in the resolution of the Legislative Council, dated 11 November 2021;
- That the Committee call for submissions and advertise the inquiry on the Committee's webpage;
- That the closing date for submissions be Friday 11 February 2022;
- That the Chair issue a media release announcing the inquiry;

- That the key stakeholders on the list circulated and other suggested stakeholders from members, be informed of the inquiry and invited to make a submission.

6. ***

7. **Next meeting**

The Chair adjourned the meeting at 9.14 am until a date and time to be determined.

Minutes of meeting no 10

9.02 am, 24 February 2022

Via Webex videoconference

Members present

Mr Evans (Chair), Ms Cusack, Ms Houssos, Mr Primrose, Mr Scully, Ms Wilson

Officers in attendance

Rohan Tyler, Leon Last, Ilana Chaffey

1. **Apologies**

Apologies were received from Mr Borsak, Mr Franklin, Mr Gulaptis, and Mr Smith.

2. **Confirmation of minutes**

Resolved, on the motion of Mr Scully, seconded Ms Houssos: That the draft minutes of meeting no 9, held on 25 November 2021, be confirmed.

3. ***

4. **Inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election**

4.1 Correspondence

The Committee noted the following correspondence:

Received

- 31 January 2022 - Email from Scytl declining to make a submission
- 25 January 2022 - Email from Local Government NSW declining to make a submission
- 13 December 2021 – Email from Australian Information Commissioner declining to make a submission

4.2 Submissions

Resolved, on the motion of Mr Primrose, seconded by Mr Scully:

That the following submissions be accepted and published on the Committee's webpage with relevant contact details redacted:

- Dr Vanessa Teague
- Information and Privacy Commission NSW
- NSW Department of Customer Service
- The Greens NSW
- The Audit Office of NSW

Resolved, on the motion of Mr Primrose, seconded by Mr Scully:

That the Committee accepts the submission from the Hon Jonathan O'Dea MP, Speaker of the NSW Legislative Assembly, and defers consideration of publication until further correspondence with the Speaker.

4.3 Conduct of inquiry

The Committee discussed potential dates for a public hearing and agreed that the secretariat should circulate some suggested dates via email.

5. Next meeting

The Chair adjourned the meeting at 9.12 am until a date and time to be determined.

Meeting no. 11

TIME & DATE	9.03 AM, 23 MARCH 2022	LOCATION	ROOM 1254 AND WEBEX
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MEMBERS PRESENT

Mr Lee Evans MP (**Chair**), Ms Felicity Wilson MP (**Deputy Chair**), the Hon. Robert Borsak MLC, the Hon. Catherine Cusack MLC (via Webex), the Hon. Scott Farlow MLC (via Webex), Mr Christopher Gulaptis MP, the Hon. Courtney Houssos MLC (via Webex), the Hon. Peter Primrose MLC, Mr Paul Scully MP, Mr Nathaniel Smith MP.

OFFICERS PRESENT

Rohan Tyler (via Webex), Leon Last, Ilana Chaffey, Abegail Turingan.

APOLOGIES

None.

AGENDA ITEM

1. Confirmation of minutes

Resolved, on the motion of Mr Scully: That the minutes of the meeting of 24 February 2022 be confirmed.

2. Inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election

2.1. Submissions

Resolved, on the motion of Mr Smith, seconded Mr Gulaptis: That the Committee accept and publish on the Committee's webpage the following submissions:

- NSW Electoral Commission
- Liberal Party of Australia – NSW Division

2.2. Conduct of inquiry

The Committee discussed potential timeframes for the conduct of the inquiry. The Committee asked the secretariat to canvas members' availability for a public hearing in early May.

3. ***

4. ***

5. **Next meeting**

The meeting adjourned at 9.33 am until a date and time to be confirmed.

Meeting no. 12

TIME & DATE	10.07AM, 13 MAY 2022	LOCATION	JUBILEE ROOM AND VIDEOCONFERENCE
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MEMBERS PRESENT

Mr Lee Evans MP (**Chair**), the Hon. Robert Borsak MLC (**Deputy Chair**), the Hon. Scott Barrett MLC (via videoconference), Mr Kevin Conolly MP, Mr Chris Gulaptis MP, the Hon. Courtney Houssos MLC, the Hon. Peter Primrose MLC (via videoconference), the Hon. Chris Rath MLC, Mr Paul Scully MP (via videoconference), Mr Nathaniel Smith MP.

OFFICERS PRESENT

Rohan Tyler, Leon Last, Ilana Chaffey, Abegail Turingan.

AGENDA ITEM

1. **Deliberative meeting**

1.1. **Membership changes**

The Chair advised the Committee of the of the change in membership recorded in:

- The Legislative Council Minutes of 30 March 2022, No 8, Item 1(b), in which Scott Barrett and Chris Rath were appointed to the Committee in place of Catherine Cusack and Scott Farlow.
 - The Legislative Assembly Votes and Proceedings of 31 March 2022, No 17, Item 1(e), in which Gabrielle Upton was appointed to the Committee, in place of Felicity Wilson.
 - The Legislative Assembly Votes and Proceedings of 31 March 2022, No 21, Item 1, in which Kevin Conolly was appointed to the Committee, in place of Gabrielle Upton.
-

1.2. Election of Deputy Chair

There being a vacancy in the office of the Deputy Chair of the Committee, the Chair called for nominations for the office of Deputy Chair.

Mr Conolly proposed himself to be the Deputy Chair, seconded by Mr Smith.

Ms Houssos proposed Mr Borsak to be the Deputy Chair, seconded Mr Primrose.

There being two nominations, the Chair put the question that Mr Conolly be the Deputy Chair of the Committee.

Ayes: Mr Conolly, Mr Smith

Noes: Ms Houssos, Mr Primrose, Mr Scully, Mr Borsak

The Chair put the question that Mr Borsak be the Deputy Chair of the Committee.

Ayes: Ms Houssos, Mr Primrose, Mr Scully, Mr Borsak

Noes: Mr Smith, Mr Conolly.

The Chair declared Mr Borsak to be the Deputy Chair.

1.3. Confirmation of minutes

Resolved, on the motion of Mr Smith, seconded Mr Scully: That the minutes of the meeting of 23 March 2022 be confirmed.

1.4. ***

1.5. ***

1.6. Inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election

1.6.1. Submission

Resolved, on the motion of Mr Borsak, seconded Mr Conolly: That the Committee publishes submission number 3, from the Hon. Jonathan O'Dea MP, Speaker of the NSW Legislative Assembly, on its webpage.

1.6.2. Public hearing

Resolved, on the motion of Mr Borsak, seconded Mr Conolly: That the Committee invite the witnesses listed in the notice of hearing for Friday, 13 May 2022 to give evidence in relation to the inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election.

1.6.3. Media orders

Resolved, on the motion of Mr Borsak, seconded Mr Conolly: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 13 May 2022, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

1.6.4. Answers to questions taken on notice

Resolved, on the motion of Mr Conolly, seconded Mr Borsak: That witnesses be requested to return answers to questions taken on

notice and supplementary questions within 2 weeks of the date on which the questions are forwarded to the witnesses.

The deliberative meeting concluded at 10.16 am.

2. Public hearing – Inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election

Mr Gulaptis and Mr Barrett joined the meeting.

Witnesses were admitted. The Chair opened the hearing at 10.29 am and made a short opening statement.

Mr Mark Howard, Executive Director ICT Investment and Assurance, NSW Department of Customer Service, affirmed and examined.

Mr Tony Chapman, NSW Government Chief Cyber Security Officer, NSW Department of Customer Service, affirmed and examined.

Mr Greg Wells, NSW Government Chief Information and Digital Officer, NSW Department of Customer Service, sworn and examined.

Ms Cassandra Wilkinson, Executive Director, NSW Treasury, sworn and examined by videoconference.

Dr Vanessa Teague, Adjunct Associate Professor, Research School of Computer Science, the Australian National University, affirmed and examined by videoconference.

Mr John Schmidt, NSW Electoral Commissioner, affirmed and examined.

Mr John Cant, Executive Director – Information Services, NSW Electoral Commission, affirmed and examined.

Ms Andrea Summerell, Acting Executive Director – Elections, NSW Electoral Commission, affirmed and examined.

Mr Matt Phillips, Executive Director – Corporate, NSW Electoral Commission, sworn and examined.

Ms Rachel McCallum, Executive Director – Funding, Disclosure & Compliance and General Counsel, NSW Electoral Commission, affirmed and examined.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The public hearing concluded at 2.05 pm.

3. Deliberative meeting

3.1. Publication orders

Resolved, on the motion of Mr Borsak, seconded Mr Conolly: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

4. Next meeting

The meeting adjourned at 2.06 pm until a date and time to be confirmed.

Meeting no. 13

TIME & DATE	1.15 PM, 22 JUNE 2022	LOCATION	MEETING ROOM 814/815
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MEMBERS PRESENT	
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Mr Lee Evans MP (**Chair**), Mr Chris Gulaptis MP, Mr Kevin Conolly MP, Mr Nathaniel Smith MP, Mr Paul Scully MP, the Hon Chris Rath MLC, the Hon Courtney Houssos MLC, the Hon Peter Primrose MLC, the Hon Scott Barrett MLC.

OFFICERS PRESENT	
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Rohan Tyler, Leon Last, Ilana Chaffey, Jennifer Gallagher, Ze Nan Ma.

APOLOGIES	
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The Hon Robert Borsak MLC.

AGENDA ITEM

1. Confirmation of minutes

Resolved, on the motion of Mr Conolly, seconded Mr Smith: That the minutes of the meeting and public hearing of 13 May 2022 be confirmed.

2. Inquiry into the adequacy of the funding allocation of the NSW Electoral commission for the 2023 State General Election

2.1. Answers to questions on notice

The Committee received answers to questions on notice from:

- NSW Electoral Commission
- NSW Treasury

Resolved, on the motion of Ms Houssos, seconded Mr Scully: That the Committee accepts the answers to questions on notice and publishes them on the inquiry webpage.

2.2. Conduct of inquiry

Resolved, on the motion of Ms Houssos, seconded Mr Primrose: That the Chair write to the Electoral Commissioner seeking feedback on the 2022 Budget allocations, including the experience of new processes for engaging

with Treasury, and with specific reference to the funding submissions listed in the Commission's submission.

3. ***

4. **Next meeting**

The meeting adjourned at 1.25pm until a date and time to be confirmed.

Meeting no. 14

TIME & DATE	10.18 AM, 27 JULY 2022	LOCATION	ROOM 814/815 AND VIDEOCONFERENCE
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MEMBERS PRESENT

Mr Lee Evans MP (**Chair**), the Hon. Robert Borsak MLC (**Deputy Chair**), the Hon. Scott Barrett MLC (via videoconference), Mr Kevin Conolly MP (via videoconference), the Hon. Courtney Houssos MLC, the Hon. Peter Primrose MLC, the Hon. Chris Rath MLC, Mr Paul Scully MP, Mr Nathaniel Smith MP (via videoconference).

OFFICERS PRESENT

Sam Griffith, Leon Last, Ilana Chaffey, Nicolle Gill, Gerard Rajakariar

APOLOGIES

An apology was received from Mr Gulaptis.

AGENDA ITEM

1. **Deliberative meeting**

1.1. **Confirmation of minutes**

Resolved, on the motion of Mr Rath, seconded by Mr Borsak: That the minutes of the meeting of 22 June 2022 be confirmed.

1.2. **Inquiry into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election**

1.2.1. **Correspondence**

The Committee received a letter on 29 June 2022 from the Electoral Commissioner providing his feedback on aspects of the funding allocation for the NSW Electoral Commission in the 2022-23 NSW Budget.

Resolved, on the motion of Mr Rath, seconded Mr Scully: That the Committee accept the correspondence from the Electoral Commission and publish it on the inquiry webpage.

1.3. ***

The Chair adjourned the meeting at 10.24 am.

2. ***

3. ***

4. Next meeting

The meeting adjourned at 2.40 pm until a date and time to be confirmed.

Meeting no. 17

TIME & DATE	1.38 PM, THURSDAY 17 NOVEMBER 2022	LOCATION	ROOM 1254 AND VIA WEBEX
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MEMBERS PRESENT

Mr Lee Evans MP (Chair), the Hon Robert Borsak MLC (Deputy Chair), the Hon Scott Barrett MLC, Mr Kevin Conolly MP, the Hon Courtney Houssos MLC, the Hon Peter Primrose MLC, the Hon Chris Rath MLC, Mr Paul Scully MP, Mr Nathaniel Smith MP (via videoconference)

OFFICERS PRESENT

Rohan Tyler, Leon Last, Ilana Chaffey, Hayley Jarrett, Gerard Rajakariar.

APOLOGIES

An apology was received from Mr Gulaptis.

AGENDA ITEM

1. Confirmation of minutes

Resolved, on the motion of Mr Rath, seconded by Ms Houssos: That the minutes of the meeting of 13 October 2022 confirmed.

2. ***

3. Adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election

3.1. Submissions

Resolved, on the motion of Mr Borsak: That the Committee accept the request from the Electoral Commission to redact certain figures in the table in Box 7 on page 27 of their submission (Submission 7).

3.2. Consideration of Chair's draft report

With the concurrence of all members, the Committee considered the report in globo.

Resolved, on the motion of Ms Houssos: That the word 'finds' be omitted from Finding 1 and replaced with the word 'accepts'.

Resolved on the motion of Mr Conolly, seconded by Ms Houssos:

1. That the draft report, as amended, be the report of the Committee and that it be signed by the Chair and presented to the House.
 2. That the Chair and Committee staff be permitted to correct stylistic, typographical, and grammatical errors.
 3. That, once tabled, the report be posted on the Committee's webpage.
-

4. ***

5. Next meeting

The meeting adjourned at 1.56 pm until a date and time to be confirmed.

Appendix Six – Glossary

The Commission	The NSW Electoral Commission
The Commissioner	The NSW Electoral Commissioner
DRF	Digital Restart Fund
Electoral Act	<i>Electoral Act 2017</i>
ERC	Expenditure Review Committee of Cabinet