

Committee Manager
Joint Standing Committee on Electoral Matters
Parliament House
Macquarie Street
SYDNEY NSW 2000

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1 June 2022

Dear Sir

Please find attached my responses in relation to suggested transcript corrections and questions taken on notice at the hearing on 13 May 2022 into the adequacy of the funding allocation of the NSW Electoral Commission for the 2023 State General Election.

I thank the Committee for the opportunity to give evidence at its inquiry.

Yours sincerely,


John Schmidt
Electoral Commissioner

ELECTORAL COMMISSION

Question from the Hon ROBERT BORSAK MLC
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QUESTION

The Hon. ROBERT BORSAK: *Thanks very much, Mr Schmidt, for coming today. Just focusing on the iVote from my point of view—and you probably know my view on the system ever since I first encountered it over 10 years ago—why has the commission continually persisted in trying to spend money on the iVote system when I actually sat in a presentation—and I do not think it was you but the previous commissioner—where he said that this was going to be the platform upon which all of our voting would ultimately roll out.*

JOHN SCHMIDT: *Mr Borsak, I am glad you raised that because I was questioning myself whether I should—I noted that in your speech in the upper House when the select committee was being set up and you said the “commissioner”. Again I would like to record that I never taken the position that iVote was going to replace other voting channels. So I appreciate—*

The Hon. ROBERT BORSAK: *No, it was definitely the previous commissioner.*

JOHN SCHMIDT: *Thank you for that. But it is not a straightforward answer. It goes to overall funding. Any elections cost more but 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. The implication has been raised in Professor Teague's submission. It implies that massive amounts of money have been given to the commission over the years for iVote. That is simply not true.*

The Hon. ROBERT BORSAK: *Well, can you take on notice how much has been given—*

JOHN SCHMIDT: *Sure, certainty.*

The Hon. ROBERT BORSAK: *—since iVote was first brought on as an application and until now when you finally realised it should have been dumped, or has been dumped?*

JOHN SCHMIDT: *I am pleased to do that, and just one extra qualification too. When iVote—again, before my time—was first introduced in 2011, the world of cyber and the concerns about cyber were not nearly as great as they are now. So some of the costs—and we will have to think about how we present this in coming back to you—are the general enhancements that the organisation needs to meet the cyber challenges.*

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Some of that is driven by iVote for obvious reasons but it is more generally as well. So some of those additional funding amounts we sought which had an iVote component, iVote was just a component. But we will come back with more information.

ANSWER

The amount spent on iVote at each major election since iVote was introduced as a method of voting in New South Wales is provided in the following table:

Election	Votes Taken	Cost (\$m)	Cost Per Vote
SGE 2011	46,864	3.7	\$78.95
SGE 2015	283,669	6.0	\$21.15
SGE 2019	234,401	8.1	\$34.56
LGE 2021	671,593	6.0	\$8.93
Total	1,236,527	23.8	\$19.25

Notes: SGE refers to the State General Election; and LGE refers to the Local Government Elections.

Question from the Hon CHRIS RATH MLC

QUESTION

The Hon. CHRIS RATH: *Do you know what increase in the number of pre-poll locations there has been over, say, the last three or four State elections?*

JOHN SCHMIDT: *We can take that on notice, but I just run that caveat of COVID because you will get a huge jump—*

The Hon. CHRIS RATH: *Of course. Just out of interest—*

JOHN SCHMIDT: *Sure*

The Hon. CHRIS RATH: *Because I assume as more and more people vote early, you need more locations to keep up.*

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JOHN SCHMIDT: *Is it a pull or a push factor? I am not sure.*

ANSWER

Section 298 (1) of the *Local Government (General) Regulation 2021* requires the appointment of one or more places as pre-poll voting offices, to enable electors to vote in person before election day.

In State elections, at least 1 early voting centre is appointed in each electoral district, usually the election manager's office. Additional centres may also be opened in business/shopping precincts where the election manager's office for that district is not located centrally, or to serve electors who live in geographically large districts.

The provision of 1 pre-poll venue for each local government area creates a requirement for 37 per cent more venues at Local Government elections than at State general elections.

The total number of pre-poll locations since the State General Election in 2011 is shown in the following table:

Election	Prepoll Venues incl. RO office	Prepoll Volume	% Electors	Comments
SGE 2011	157	352,741	8%	
LGE 2012	254	383,405	13%	
SGE 2015	184	641,910	14%	
LGE 2016	122 (2016)	378,055 (2016)	19% (2016)	Split Local Government elections due to council amalgamations
LGE 2017	95 (2017)	437,856 (2017)	15% (2017)	
SGE 2019	195	1,023,986	19%	
LGE 2021	284	1,053,994	22%	Conducted during COVID pandemic and legislation amended to have no eligibility applied to early voting

Notes: SGE refers to the State General Election; and LGE refers to the Local Government Elections.

Question from the Hon PAUL SCULLY MLC

QUESTION

The Hon. PAUL SCULLY: *I am pleased to hear that. While you have touched on the local government election, some have argued to me that there may not have been sufficient funding for the commission to conduct that. There was not a universal postal vote done there. Are you able to confirm for us, given the COVID arrangements that were in place, how many people were issued fines for not voting?*

JOHN SCHMIDT: *We are in the middle of that process now. In fact, I could either take it on notice now or I could undertake to include that information in the submission for the select committee, which has just been established. I am not sure what your timetable for that would be. On notice I will come back to you with the number of apparent failure notices that have been issued, having in mind that it is a lengthy process. Some hundreds of thousands of people came back with reasons why there were failures. For example—and there was a question on notice in Parliament about this—there was a failure of my electronic mark off system because of some of the ongoing problems where did people turn up and vote, and I accept they turned up to vote, but they were not recorded either physically or online as having done so. It is a process which is in train at the moment. We will give you a status report.*

The Hon. PAUL SCULLY: *To add to the context of that, given that you are taking it on notice, perhaps it would be useful to give us a sense of whether that was higher or lower than, say, the 2019 State elections. If you could provide a number by comparison and perhaps similarly the most recent local government election before that.*

JOHN SCHMIDT: *Certainly. My understanding is that it is in line with previous experience, but we will confirm that.*

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ANSWER

Non-voter statistics for all major election since the Local Government elections in 2016 are provided in the following table:

Election	Total Electors (incl non client councils where applicable)	Initial apparent failure to vote notice	Initial notice as % of total electors	Total excused	Non-voters not excused as % of total electors
LGE 2016	2,352,658	376,189	15.99%	164,989	9%
LGE 2017	2,790,150	402,776	14.44%	179,577	8%
SGE 2019	5,271,775	384,879	7.30%	150,065	4%
LGE 2021	5,135,292	687,760	13.39%	199,680 (as at 19 May 2022)	To be determined

Notes: SGE refers to the State General Election; and LGE refers to the Local Government Elections.

Question from the Hon PETER PRIMROSE MLC

QUESTION

The Hon. PETER PRIMROSE: *Following on from Mr Borsak's question, I would like us to be able to go through and be very clear after the Treasurer brings down his budget on 21 June where they have given you more money or less money than you actually requested in your bids. My simple request is for you to on notice add another column titled "Comments" in relation to "Box 7. Budget submissions" on page 27 of your submission to this inquiry, so that it will be quite clear if there have been any changes as a consequence, for example, of the Premier's recent announcements of the quantum of funding that you have sought in each of those five categories that are listed. So that when I go through after and look at what the Treasurer has actually allocated, I am being fair to the Treasurer because I will know exactly the most up-to-date bid that you have put in.*

JOHN SCHMIDT: *Matt, did you want to say something?*

MATT PHILLIPS: *Can I just say, we will need to update that table while the numbers are still the same for those five projects identified. We actually put in a further two submissions based on Treasury's request, one of which is around voting centre device refresh, which is a straight conversion of approved capital funding to operational. That was for next year. It is \$4.5 million. We will give you an update on that project as well and there is a minor project we put in around data remediation. It is just a technical issue. But we will update the table and provide you the assessment on the five plus the additional two.*

The Hon. PETER PRIMROSE: *Thank you, and make that box 7A.*

ANSWER

The Electoral Commission made 7 funding submissions to the 2022-23 Budget. These submissions, including a brief description and amounts, are listed in the table below:

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Title	Description	22-23 (\$m)	Total - 10 years (\$m)	Comments
1. Workforce Strategy and Staffing Structure	To increase the NSWEC's Labour Expense Cap (LEC) and seek funding for 60 identified positions to address its fragile staffing and develop a stable and sustainable staffing structure to ensure the delivery of the NSWEC's core functions and expanding remit in elections management, engagement oversight and regulatory services.	9.7	102.4	No changes have been made to the funding submission in response to the Premier's recent announcements on a revised funding model for the integrity agencies. Decision pending. To be announced in the Budget on 21 June 2022.
2. SGE23	The NSWEC is seeking urgent funding to bridge funding gap to conduct of SGE23 to be held in March 2023.	50.4	50.4	No changes have been made to the funding submission in response to the Premier's recent announcements on a revised funding model for the integrity agencies. Decision pending. To be announced in the Budget on 21 June 2022.
3. Special Elections Taskforce	Short-term increase in temporary workforce to meet compressed timeframes and competing demands for election staff resulting from the rescheduling of Local Government Elections (LGE20/21), imminent State Government Election (SGE23), and state and local government by-elections. Funding will sustain a temporary workforce with focus on the conduct of local government and state by-elections.	1.7	1.7	No changes have been made to the funding submission in response to the Premier's recent announcements on a revised funding model for the integrity agencies. Decision pending. To be announced in the Budget on 21 June 2022.

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Title	Description	22-23 (\$m)	Total - 10 years (\$m)	Comments
4. FD Online	Funding sought to complete the delivery of the Funding and Disclosure Online system for political parties, elected members and other electoral participants, following successful first release in June 2021.	Commercial in Confidence	Commercial in Confidence	No changes have been made to the funding submission in response to the Premier's recent announcements on a revised funding model for the integrity agencies. Decision pending. To be announced in the Budget on 21 June 2022.
5. Election Campaign Funding	Statutory appropriation under section 134 of the Electoral Funding Act 2018 (the Act) to provide the NSWEC with the legislated funding to pay claims made by political parties and candidates under the Act's Election Campaign Fund in relation to State General Elections in 2023, 2027 and 2031.	13.7	25.7	No changes have been made to the funding submission in response to the Premier's recent announcements on a revised funding model for the integrity agencies. Decision pending. To be announced in the Budget on 21 June 2022.
6. Voting Centre Devices Refresh	The submission requests the conversion of approved capital funding to opex funding to complete the Voting Centre Device Refresh project. The approved funding was \$10.3m in FY22. The planned reallocation proposed in the PTA excludes capital depreciation which is not applicable to opex funding.	3.9	8.8	No changes have been made to the funding submission in response to the Premier's recent announcements on a revised funding model for the integrity agencies. Decision pending. To be announced in the Budget on 21 June 2022.
7.	The NSW Electoral Commission is provided with a 10-year	N/A	(13.9)	No changes have been made to the

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Title	Description	22-23 (\$m)	Total - 10 years (\$m)	Comments
Data Remediation – Planning Years	<p>budget projection in PRIME (Treasury's IT system). Each year, the budget for Year 10 is recalculated by simply replicating the previous year in order to create a new 10-year budget projection. The issue for the Electoral Commission with this method is that we could be required to deliver a major election in that particular year (Year 10) and no budget has been provided or alternatively funds are provided and there is no major election event scheduled for that year. To address this issue, we work with Treasury to ensure that the 10-year budget reflects the election event cycle.</p> <p>This submission seeks to adjust our funding allocation in the last years of the 10-year budget projection (FY30-FY32). At present, the current 10-year budget allocation does not match the timing of major election events to be delivered by the NSW Electoral Commission.</p> <p>The submission aligns the long-term budget with the election cycle (LGE and SGE). The Commission will still need to make a separate submission to Treasury for additional funding to deliver major election events in the future.</p>			<p>funding submission in response to the Premier's recent announcements on a revised funding model for the integrity agencies.</p> <p>Decision pending. To be announced in the budget on 21 June 2022.</p>