

The Hon. Peter Primrose, MLC  
Chair  
Joint Standing Committee on Electoral Matters  
Parliament of New South Wales  
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25 July 2025

Dear Chair

## **NSW Electoral Commission budget 2025-26**

Thank you for your correspondence dated 2 July 2025 regarding the approval of funding for the NSW Electoral Commission in the 2025-26 NSW Budget. I have reviewed the information provided to me and to the Committee by the Treasurer and welcome the additional funding confirmed in that correspondence.

The Electoral Commission made three major submissions for additional funding as part of the 2025-2026 NSW Budget (FY26) in relation to: (1) its three-year program to administer and regulate the 2027 State General election, (2) Ongoing maintenance for cyber security and (3) Workforce Reform. The election and cyber security submissions were supported, and the workforce reform submission was supported in part. The Electoral Commission also sought and received approval to repurpose and carry forward some FY25 underspend of funding towards critical information technology system maintenance ahead of the State General election in 2027.

As the Committee would be aware, the Electoral Commission's previous workforce rebaselining and digital modernisation submissions for FY25 were not supported. Since the planning runway to the 2027 State General election was shorter from the start of FY26, and its digital modernisation program had been wound-up from 1 July 2025, the Electoral Commission's three submissions for FY26 focused on what could still realistically be achieved to reduce rather than eliminate risk for the 2027 State General election and the 2028 Local Government elections.

### **3-year funding program for the State General election 2027:**

This submission was necessary because the existing funding allocation to the Electoral Commission to administer and regulate the March 2027 State General election was significantly lower than what is now estimated to be required. The Electoral Commission's revised estimate in this submission was based on a comparison with recent rather than historic election costs. Since its rebaseline and digital modernisation funding bids were not approved for FY25, a similar escalating and high-cost model and risk profile as applied to the 2023 State General election and 2024 Local Government elections was applied for this comparison.

The main drivers of increasing election costs in those elections were related to wages (including for the more than 20,000 temporary election workforce), local venue rents, school venue rents, IT licensing, IT infrastructure, enhanced security, logistics, postage, advertising campaigns, and the strengthening of

arrangements to support the safety and wellbeing of staff and election participants.

Although this submission was supported in full, the Electoral Commission will continue to work diligently over the next 12 months to assess whether there is any scope to refine its revised estimated expenditure without compromising the election's integrity. I note, for example, that because the Workforce Reform submission was supported in part, there are some funded temporary event resources that can instead be engaged on a more efficient and lower risk ongoing basis. The Electoral Commission is also closely examining its costing assumptions in some of the key high-cost areas, such as staffing and technology, through a further detailed analysis of risks and previous election data. The recent recommendations by the Committee for the Electoral Commission to undertake additional activities to support current and future voter participation and engagement will also inform detailed planning but may need to be the subject of a further funding submission for FY27.

### **Ongoing maintenance for cyber security:**

A previously funded cyber security uplift program is helping the Electoral Commission to improve its cyber security practices and technology and be able to comply with the NSW Government Cyber Security Policy and meet the Australian Cyber Security Centre's Essential Eight over time. The program is also supporting greater alignment with ISO 27001 and other industry standards, benchmarks and requirements.

For the uplift program to continue in FY26, the Commission required incremental recurrent funding for its ongoing operational cyber security expenses arising from the investments already made as part of the program. The Electoral Commission's submission for that operational funding has been approved in full.

### **Workforce Reform:**

As noted above, it was not feasible for the Electoral Commission to submit a full rebaselining proposal in the FY26 Budget again and the constrained fiscal environment was also recognised as a relevant consideration this year. The Electoral Commission's Workforce Reform submission instead sought specific additional ongoing roles to be funded within its labour expense cap. This submission was supported in part, through the approval of funding for 53 of the 73 roles requested. The increase in ongoing roles is welcome but should be seen as a modest and targeted measure since many of these positions already exist as temporary or contract roles funded from fixed-term major event budgets. Having ongoing funding for these roles should better support the Electoral Commission to retain valued skills and knowledge and begin to reduce its reliance on a high-cost temporary contractor model for large elections. That reliance cannot be significantly reduced while the Electoral Commission continues to operate highly customised, legacy information technology systems, but additional ongoing resources provides some mitigation. The additional ongoing roles will also strengthen the capability of the Electoral Commission to focus on how it safeguards the security and integrity of elections and be more proactive about transparency and engagement with election participants and the community, between election events.

This submission did not include the additional staffing for community education and outreach that was requested as part of the Electoral Commission's FY24 staffing rebaseline submission. As noted above, the Electoral Commission is aware of the recommendations by the Committee in its recent report on proposals to increase voter engagement, participation and confidence. A further funding submission for FY27 may be required to deliver any supported recommendations as the Electoral Commission currently has only one ongoing stakeholder engagement staff member responsible for community outreach and education. Meanwhile, however, as already noted earlier, the Electoral Commission will consider to what extent its recently approved funding for the 2027 State General election could enable some additional improvements to be made in this area for that event.

### **Critical technology systems maintenance:**

As noted in the Treasurer's correspondence, the Electoral Commission was approved to carry forward \$8.4m to conduct immediate and unavoidable maintenance work on critical information technology

systems. The carry forward arose from an underspend on protected FY25 funding to the Electoral Commission for its core costs of administering the 2024 Local Government elections. The program of work will include developing the system changes required to support the implementation of the already legislated but unfunded political party logos on ballot papers. Updates are also required to extend the useful life of the Proportional Representation Computer Count (PRCC) system, which is the system the Electoral Commission relies upon to carry out the distribution of preferences for the Legislative Council election. Urgent maintenance is needed to ensure it can be used for the 2027 State General election. Urgent upgrades are also critical for the Electoral Commission's online electoral funding system and its staffing systems due to required supplier

software updates. Despite this welcome injection of funding, however, there remains significant risks and issues arising from the Electoral Commission's information technology systems.

#### **Future years:**

The Electoral Commission may need to submit new funding proposals for FY27 and beyond to address particular gaps in its resourcing to be able to deliver on legislative requirements and meet expectations about the role of an election administrator and regulator. I note also that the Electoral Commission performs statutory functions relating to lobbyist regulation and will be considering its future funding needs in this area of responsibility.

Across both areas of the Electoral Commission's functions, information technology risks will remain without an ongoing allocation to enable critical systems issues to be addressed in a structured way. The foreshadowed further *ad hoc* funding submissions will not address the underlying issues, may be dependent on repurposing other program underspends and will not support proper planning and cost-effective implementation. I look forward, therefore, to further discussing ways to address these issues in future budget allocations made for the NSW Electoral Commission.

Thank you for the opportunity to raise these matters.

Yours sincerely,



Rachel McCallum  
**NSW Electoral Commissioner**