

**Submission  
No 7**

**ADEQUACY OF THE FUNDING ALLOCATION OF THE NSW ELECTORAL  
COMMISSION FOR THE 2023 STATE GENERAL ELECTION**

**Organisation:** NSW Electoral Commission

**Date Received:** 25 February 2022

# SGE23 funding inquiry

Submission to the Joint Standing Committee on  
Electoral Matters inquiry into the adequacy of  
the funding allocation of the NSW Electoral  
Commission for the 2023 State General  
Election



# Contents

Executive summary	5
<b>Part one – The NSW Electoral Commission</b>	<b>6</b>
Structure, role, staffing and current budget	6
Structure and role	6
Staffing	7
2021-22 Budget	9
The NSW Electoral Commission's current funding model	12
Appropriation	12
Budget process	12
Enhanced Voter Experience Digital Restart Fund Grant	14
Digital restart fund cyber-security investment	14
The current event-based funding model for the NSW Electoral Commission	14
<b>Part two – State General Election 2023</b>	<b>17</b>
Introduction	17
Box 1. State General Election 2019 – Budget issues	18
State General Election 2019	18
Funding adequacy – a gap analysis	19
Key drivers of the cost increase	20
IT infrastructure and Systems	20
Venue procurement and logistics	21
Staffing and safety	21
Event assurance, including Cyber-security and BCP:	22
Attendance and Non-Attendance Voting	22
Candidates and Parties	22
Counting and Results	22
Event Financial Management	22
Communications and Engagement	22
Customer Service	23
Funding adequacy – risks and issues	23
Box 4. State General Election 2023 – Critical resourcing issues	23
Box 5. Legacy Election systems	24
2022-23 Budget Submissions	27
Box 7. Budget submissions 2022-23	27
<b>Part three – Cyber security and the 2023 NSW State General Election</b>	<b>28</b>
Introduction	28
Background	28

<b>Current cyber security funding</b>	<b>29</b>
<b>Impact of delay in Cyber Security Funding for SGE 2023</b>	<b>30</b>
<b>Funding adequacy</b>	<b>32</b>
<b>Direct and indirect costs of a cyber-attack</b>	<b>32</b>
<b>Attachments</b>	<b>33</b>

## Executive summary

The next State General Election will be held on Saturday, 25 March 2023 to elect the 58<sup>th</sup> Parliament of New South Wales. This includes all 93 seats in the Legislative Assembly and 21 of the 42 seats in the Legislative Council. The election must be conducted by the NSW Electoral Commission, which is funded by the NSW Government through the State's budget process.

The 2023 State General Election will involve approximately 5.4 million electors, thousands of participants, and is likely to be delivered during a continuing global pandemic and an environment of heightened risk of cyber activity and potential foreign interference.

This submission provides an overview of the current budget allocation to conduct the State General Election in 2023 and assesses the adequacy of that budget. It will illustrate that if funding is not increased in the 2022-23 Budget, the NSW Electoral Commission cannot assure delivery of the State General Election. There is a risk that the Commission will not be able to deliver an election in a manner consistent with its governing legislation – the *Electoral Act 2017* and *Electoral Funding Act 2018* – namely, to ensure that the election event is fair, transparent, and conducted with integrity.

As documented in the NSW Electoral Commission's submission to other inquiries by Parliamentary Committees, the Electoral Commission has limited input into, and visibility of, funding decisions made as part of the annual State budget process. The NSW Electoral Commission has a statutory obligation, however, to deliver elections as and when they arise and to regulate political participation, including the provision of public funding and the registration of lobbyists, on an ongoing basis.

This submission is written in three parts. Part one provides an overview of the NSW Electoral Commission and provides background information on its structure, role, staffing and current budget. Part two provides information on the current budget for the 2023 State General Election. Part three provides information on current cyber security arrangements.

The Electoral Commissioner would welcome the opportunity to appear before the Committee to elaborate on matters raised in this submission.



# Part one – The NSW Electoral Commission

## Structure, role, staffing and current budget

### Structure and role

The NSW Electoral Commission is constituted as a three-member statutory authority under the *Electoral Act 2017*. The Commission assumed the functions of the former Election Funding Authority following significant changes to campaign finance regulation in New South Wales in 2014. Originally established under the *Parliamentary Elections and Electorates Act 1912*, the Commission was continued by the Electoral Act following further legislative reforms in 2017. The Electoral Commissioner is a member of the Commission, which is led by a chairperson, who must be a former senior judge.

The Electoral Commissioner is a statutory office-holder position which was also originally established by the *Parliamentary Electorates and Elections Act 1912* and continued under the Electoral Act. Both the Commission and the Commissioner are supported in the exercise of their distinct but complementary statutory functions by a public service staff agency also known as the Electoral Commission, which is established as a “separate agency” under the *Government Sector Employment Act 2013* (the GSE Act).

Under the *Electoral Funding Act 2018*, the Electoral Commission has the functions of administering the election funding, expenditure, and disclosure scheme under that Act, including registering electoral participants for the purposes of that scheme. It also enforces breaches of electoral legislation in relation to both funding and the conduct of elections, including elections held under the *Local Government Act 1993*.

Under the *Lobbying of Government Officials Act 2011*, the Electoral Commission has the function of maintaining the Register of Third-Party Lobbyists and Lobbyists Watch List, and of the enforcement of obligations relating to lobbying.

Under the Electoral Act, the *Local Government Act 1993* and other NSW laws, the Electoral Commissioner has the function of registering political parties, conducting elections (when engaged to do so), and maintaining the electoral roll for New South Wales.

In the exercise of their functions, neither the Commission nor the Commissioner are subject to the direction of any Minister administering NSW electoral legislation. This independence from executive government is set out in sections 10(4) and 12(4) of the Electoral Act.

The staff agency is headed by the Electoral Commissioner, who exercises the employer functions of the Government under the GSE Act. The members of the Electoral Commission have also delegated their functions as the accountable authority under the Government Sector Finance Act 2018 to the Electoral Commissioner, to support the day to day management of the agency.

This submission is being made by the Electoral Commissioner in his capacity as head of the staff agency and the person responsible for the Electoral Commission's day-to-day management, including financial management.

The Electoral Commission's staff work across four Divisions: Elections; Information Services; Funding, Disclosure and Compliance & General Counsel; and Corporate. The NSW Electoral Commission supports the Commission and Commissioner to:

- Conduct, regulate and report on general elections and by-elections for the Parliament of NSW.
- Conduct general elections and by-elections for local government councils who engage the NSW Electoral Commission's services.
- Investigate possible offences and enforce breaches of electoral, funding and disclosure, and lobbying laws.
- Administer electoral funding legislation, including maintaining a scheme of public funding.
- Publish political donation and expenditure disclosures and registers of political parties, candidates' agents, third-party campaigners, and political lobbyists.
- Conduct elections for registered clubs, statutory boards, the NSW Aboriginal Land Council and state registered industrial organisations (on a not for profit, cost recovery basis).
- Prepare and maintain the NSW electoral roll, in conjunction with the Australian Electoral Commission.
- Contribute to public understanding and awareness of elections and electoral matters to make it easier for people to understand and participate in the democratic process, and
- Report to the Ministers administering NSW electoral legislation and the NSW Parliament's Joint Standing Committee on Electoral Matters (JSCem) on the NSW Electoral Commission's activities.

In the rest of this submission, references to the NSW Electoral Commission should be taken to include the statutory authority, the Electoral Commissioner and the staff agency as may be appropriate in the context.

### Staffing

The NSW Electoral Commission is a small organisation, employing 160 ongoing and temporary staff as at 31 December 2021 (73.9 per cent ongoing and 26.1 per cent temporary), led by the Electoral Commissioner as a statutory officer holder. A breakdown of ongoing and temporary officers, and statutory office holder, is provided in Table 1.

Table 1. Breakdown of ongoing and temporary officers (as at 31 December 2021)

	Female	Male	Total headcount – Temporary and ongoing officers
Clerks 1/2, 3/4, 5/6	21	6	27
Clerks 7/8, 9/10, 11/12	63	51	114
Senior Executives	5	14	19
Public Office Holder	0	1	1
<b>Total headcount</b>	<b>89</b>	<b>72</b>	<b>161</b>

In addition to the 160 ongoing and temporary staff employed under the GSE Act, the Electoral Commission regularly engages around 104 other workers, which comprise 84 contractors, 19 consultants and 1 casual contingent worker (as at 31 December 2021). All our regular or ongoing workers are referred to as our "staff" in this submission for simplicity.



## Staff Funding

The staff of the NSW Electoral Commission are funded from two sources: Labour Expense Cap (LEC), and Projects.

As at 31 December 2021, there were 114 roles funded under the LEC and 259 roles project funded. A breakdown of LEC and non-LEC roles by Business Unit is provided in Tables 2 and 3.

Table 2. LEC Funded Roles (as at 31 December 2021)

LEC Funded Roles as at 31 December 2021					
Division	Business Unit	Ongoing	Temporary	Contract	Total
Corporate	Communications	5	2	0	7
Corporate	Corporate	1	0	0	1
Corporate	EPMO&CG	4	0	0	4
Corporate	Finance	12	1	1	14
Corporate	HR	4	0	0	4
		26	3	1	30
Elections	Elections Customer Service	5	0	1	6
Elections	Elections Division	1	0	0	1
Elections	Elections Innovations	1	0	0	1
Elections	Elections Operations	7	1	0	8
Elections	Elections Support	10	0	0	10
		24	1	1	26
Executive	Executive	1	0	0	1
		1	0	0	1
FD&C	Client Experience Regulatory Services	11	2	1	14
FD&C	Compliance	13	1	0	14
FD&C	FDCGC Executive	4	0	0	4
FD&C	Legal	9	0	0	9
		37	3	1	41
Info Services	Business Systems	7	0	2	9
Info Services	Information Security	1	0	0	1
Info Services	IS Executive	1	1	0	2
Info Services	IT iVote	1	0	0	1
Info Services	IT Operations	3	0	0	3
		13	1	2	16
<b>NSWEC Total</b>		<b>101</b>	<b>8</b>	<b>5</b>	<b>114</b>

Table 3. Project Funded (Non-LEC) Roles (as at 31 December 2021)

Project (Non-LEC) Funded Roles as at 31 December 2021					
Division	Business Unit	Ongoing	Temporary	Contract	Total
Corporate	Communications	0	4	7	11
Corporate	Corporate	0	0	0	0
Corporate	EPMO&CG	4	3	7	14
Corporate	Finance	4	2	14	20
Corporate	HR	4	0	3	7
		12	9	31	52
Elections	Elections Customer Service	0	4	15	19
Elections	Elections Division	0	1	5	6
Elections	Elections Innovations	1	2	2	5
Elections	Elections Operations	3	11	22	36
Elections	Elections Support	3	10	16	29
		7	28	60	95
Executive	Executive	0	0	0	0
		0	0	0	0
FD&C	Client Experience Regulatory Services	2	6	7	15
FD&C	Compliance	2	3	0	5
FD&C	FDCGC Executive	0	0	0	0
FD&C	Legal	0	1	0	1
		4	10	7	21
Info Services	Business Systems	5	5	54	64
Info Services	Information Security	2	2	0	4
Info Services	IS Executive	0	0	1	1
Info Services	IT iVote	0	1	3	4
Info Services	IT Operations	1	4	13	18
		8	12	71	91
<b>NSWEC Total</b>		<b>31</b>	<b>59</b>	<b>169</b>	<b>259</b>

### 2021-22 Budget

The NSW Parliament appropriated \$193.4m to the Premier for the services of the NSW Electoral Commission for 2021-22.

A large proportion of the annual appropriation for the NSW Electoral Commission is to meet claims made by political participants for public funding, not for the operations of the NSW Electoral Commission. Approximately 15 per cent of total recurrent funding is protected public funding for political participants.

A breakdown of NSW Electoral Commission's Full Year Budget for the past four years is provided in Table 4.

Table 4: NSW Electoral Commission Full Year Budget Treasury Approvals Detail

Item	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Labour Expense Cap (LEC)	16,684	17,286	23,328	25,001
Other Expenses	11,796	14,467	10,790	12,607
Depreciation	3,757	5,290	3,399	3,000
<b>Recurrent BAU</b>	<b>32,237</b>	<b>37,043</b>	<b>37,517</b>	<b>40,608</b>
Recurrent Projects			15,047	17,432

Item	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
<b>Recurrent Total</b>	<b>32,237</b>	<b>37,043</b>	<b>52,564</b>	<b>58,040</b>
State By-Elections	808	826	1,673	1,068
State General Election	75,836	5,657	1,754	8,117
Redistribution	-	-	3,484	1,452
Electoral Act Implementation	3,302	-	1,097	-
Joint Roll Agreement	2,411	2,540	2,621	2,754
Funding Disclosure & Compliance	28,119	48,741	19,240	19,749
Local Government Election	-	11,268	73,431	96,002
<b>Total Protected</b>	<b>110,476</b>	<b>69,032</b>	<b>103,300</b>	<b>129,142</b>
<b>Minor Works</b>	100	100	100	100
<b>Major Works</b>				
Electronic Mark-Off	1,386	-	-	-
FDC Online Disclosure System / Lite	8,417	6,443	6,022	6,103
GovDC	400	366	454	427
iVote Enhancement	3,486	-	-	-
Online Nominations	4,458	2,435	-	-
Office Relocation	850	-	824	725
SGE – Computers/Tablets	1,569	900	737	-
LG Regulations Changes	-	5,661	3,227	1,468
Information Security & Data Governance	100	-	-	-
Voting Centre Device Refresh	-	-	-	7,837
<b>Total Capital</b>	<b>20,766</b>	<b>15,905</b>	<b>11,364</b>	<b>16,660</b>
<b>Total Opex &amp; Capex</b>	<b>163,479</b>	<b>121,980</b>	<b>167,228</b>	<b>203,842</b>

Note: Funding Disclosure and Compliance relates to public funding as opposed to internal cost items.

A description of the main budget items is provided in Table 5.

Table 5: Description of the NSW Electoral Commission's budget items.

Item	Description
<b>Recurrent– Business As Usual</b>	
Labour Expense Cap	Head office staff required for the day to day running of the agency
Other Expenses	Head office expenses required for the day to day running of the agency, including recurrent projects
Depreciation	Depreciation of agency fixed and intangible assets
<b>Protected Items</b>	
State By-Elections	Direct cost of running State By-Elections as and when they are called throughout the year.
State General Election	Direct cost of planning and running the State General Election every four years
Electoral Act Implementation	<i>Electoral Act 2017</i>
Joint Roll Agreement	Cost of agreement with Australian Electoral Commission for access to their electoral roll information
Funding, Disclosure & Compliance	Payments to parties and candidate for Election Campaign, Administration and New Policy expenditure.
Local Government Election– Council Services	Direct cost of running the Local Government Elections every four years, recoverable from Councils.
Local Government Election– Core Services	Cost of core services providing in the planning and running the Local Government Elections every four years
Redistribution	Electoral districts boundaries review every 8 years
<b>Capital Items</b>	
Minor Works	Minor capital items such as office equipment and small office changes.
Major Works	Major capital projects that require individual Treasury funding
Electronic Roll Mark-Off	Implementation of electronic roll mark-off of electors at all polling places
FDC Online Disclosure System	Online system to enable candidates, parties, members, campaigners and donors to electronically lodge disclosures of donations and expenditure
Gov DC (Data Centre)	Funding for the upgrade of core IT infrastructure including essential backup and recovery services
iVote Enhancement	Improvements to the iVote system to enable the use of Technology Assisted Voting at SGE 2019
Online Nominations	Online system to enable candidates to complete their nomination information and payment electronically.
Office Relocation	Relocate FDC and Legal divisions from Queens Square to 201 Kent Street Sydney

Item	Description
SGE– Computers/Tablets	Funding for the purchase of computers and tablets used for the State General Election.
LG Regulation Changes	Update of existing and development of new business processes and IT systems to implement changes to the <i>Local Government (General) Regulation (2005)</i> , including the infrastructure to support Universal Postal Voting, WIGM and a Countback Election system.
Information Security & Data Governance	Seed money of \$100k for the development of an Information Security and Data Governance proposal
Voting Centre Device Refresh	Replacement of Electronic devices used in Voting Centres

## The NSW Electoral Commission's current funding model

### Appropriation

Over the past six years the NSW Electoral Commission has received the following appropriations through the annual budget bills:

Table 6: Appropriation Sum to the NSW Electoral Commission

NSW Legislation	Financial Year	Total \$'000
<i>Appropriation Act 2016 No 30 [NSW]</i>	2016-17	101,105
<i>Appropriation Act 2017 No 30 [NSW]</i>	2017-18	86,077
<i>Appropriation Act 2018 No 35 [NSW]</i>	2018-19	163,479
<i>Appropriation Act 2019 No 3 [NSW]</i>	2019-20	121,980
<i>Appropriation Act 2020 No 41 [NSW]</i>	2020-21	161,916
<i>Appropriation Act 2021 No 19 [NSW]</i>	2021-22	193,416

The varying size of these annual appropriations reflects the four-year election cycle for the two major election events, the State General Election and the Local Government ordinary elections. Funding increases in election years to allow the NSW Electoral Commission to meet the increased workload arising from major election delivery.

### Budget process

The NSW Electoral Commission submitted 7 budget bids in total to DPC in 2021-22 Budget round, plus 16 carry-forwards of existing funding. The Electoral Commission received approval of 16 carry-forward requests that totalled \$36.31m (net of revenue). These were for both recurrent and capital projects including (but not limited to): Development of an online funding and disclosure portal; Business systems upgrades; Redistribution of the boundaries of NSW State electoral districts; and delivery of the Local Government ordinary elections. Details of the PTA/NPP submissions are provided in Table 7.

In May 2021, the NSW Electoral Commission was also requested to develop a late business case, for urgent consideration and prioritisation in the 2021-22 Budget process, to implement real time electronic validation and electoral roll mark-off (RTEMO) of all in-person voters in time for the 2023 State General Election. This request was in keeping with the NSW Government's acceptance of the Joint Standing Committee on Electoral Matters recommendations on its inquiries into the administration of the 2015 and 2019 NSW State General Elections.

The NSW Electoral Commission advised that for a full electronic mark-off system to be implemented, it was also necessary to ensure that our workforce, foundational IT structure and supporting practices (cyber security, information and privacy management) and capabilities, were fit for purpose and could support this new system. This is because the NSW Electoral Commission currently carries significant technological debt which needs to be addressed, not only to support the electronic mark-off proposal, but also to ensure the NSW Electoral Commission's ability to conduct future election events without the risk of an election systems, or cyber security, failure.

The NSW Electoral Commission included these dependent foundational elements in the RTEMO business case and noted that the business case was a priority for the NSW Government. The business case was not funded.

Table 7: NSW Electoral Commission Parameter & Technical Adjustment Submissions 2021-22

Proposal	Final Budget Proposal	Treasury Approval	Amount requested 21-22 (\$m)	Amount provided 21-22 (\$m)	Variance (\$m)
1	Workforce Strategy	Partial – one year funding only	11.071	11.071	(3.943)
2	Cyber Security	Rejected <sup>a</sup>	5.662	0.0	(5.662)
3	SGE Base Funding	Approved	2.089	2.569	+0.480
4	Voting Centre Device Refresh	Partial	10.240	9.579	0.661
5	Election Systems Modernisation	Rejected	6.166	0	(6.166)
6	Future Information Management	Partial	3.913	1.484	(2.429)
7	Real Time Electronic Markoff <sup>1</sup>	Rejected	56.889	0	(56.889)
<b>Total PTA/NPP</b>			<b>96.030</b>	<b>20.760</b>	<b>75.270</b>

**Notes:** Only 21.6 per cent of PTA/NPPs submitted to the 2021-22 Budget process were approved.

<sup>a</sup> The cyber funding submission was not funded by the Government and was instead referred to the Digital Restart Fund for consideration. On 17 February 2022, the Electoral Commission was advised by the Department of Customer Service that the Cyber Security Uplift Project was approved – the approved amount has yet to be advised and no budget allocation has been made at this time.

<sup>1</sup> Following the lack of success with the "Real Time Electronic Markoff" funding submission, a submission to apply for Digital Restart Fund was made for "Digitise and Enhance Integrity of Electoral Process Enhance Voter Experience".

Only 1 of the 7 new funding submissions was fully approved 'as submitted' for inclusion in the NSW Electoral Commission's 2021-22 appropriation (i.e. SGE Base Funding). The Workforce Strategy submission was approved but funding was only provided for one year when ongoing funding was requested, that being for workforce strategy. That funding extends mission critical resources for one year only and hence does not address the resourcing issues facing the NSW Electoral Commission but simply pushes the issue to the next Budget cycle.

By value, less than one third of the NSW Electoral Commission's new budget submissions were approved.

### **Enhanced Voter Experience Digital Restart Fund Grant**

Following the unsuccessful RTEMO funding submission, the NSW Electoral Commission applied for Digital Restart Fund for improving voter experience in voting centres. This funding request was successful, and the Electoral Commission received seed funding of \$1.695m to investigate potential options as part of preparation of a more extensive business case. The NSW Electoral Commission is working collaboratively with ServiceNSW leveraging their capabilities and experience with delivering digitised services. Resource constraints from both agencies means that the project cannot be completed by June 2022.

### **Digital restart fund cyber-security investment**

In February, the Electoral Commission was advised that additional cyber-security funding of \$4.88m will be made available – the date for the receipt of funding has yet to be confirmed but it is expected that it will be in March 2022. While this news is welcome, it is an illustration of deficiencies in the current funding process, making some critical cyber-security funding available too late for the Electoral Commission to invest effectively before the State General Election in March 2023.

## **The current event-based funding model for the NSW Electoral Commission**

The NSW Electoral Commission is still largely funded as if the costs of delivering major election events are incurred only in the year of an event, which is out of step with the agency's regulatory and educational responsibilities, as well as the need for ongoing logistics and other technical expertise to plan for major event and regulatory operations. The lack of investment "between events" also prevents the NSW Electoral Commission from meeting in full NSW public sector governance and other policy standards, as well as creating major challenges for the agency in managing its workplace safety obligations.

The NSW Electoral Commission has been in almost continual election mode since preparations began in 2014 for SGE15 and this has created the need for, and demonstrated the benefits of, running election systems and maintaining delivery capacity on an 'always on basis'. With our current staffing and funding model, however, non-stop election delivery obligations have left us with extremely limited capacity to maintain/improve/plan for changes for the way we operate, including implementing reforms passed by the Parliament.

In recent years, the NSW Electoral Commission's staffing model has been the subject of three external reviews (one by PwC and two by Bendelta) commissioned by the NSW Electoral Commission. A copy of the 2021 Bendelta report is provided as an attachment to this submission.

The central problem of over-reliance on event-based funding (also referred to as project-based funding) is that NSW Electoral Commission has a core staffing complement of 160 employees, but approximately 26 per cent are temporary appointments. This reliance on short-term employment or high-cost contractor arrangements inevitably impacts on the cost and quality of services and the NSW Electoral Commission's operational capability.

## Risk and issues with the current funding model and budget process

The Electoral Commissioner has participated, via formal submissions and appearances in person, in three major external reviews of the Commission in the past few years, including:

- the Joint Standing Committee on Electoral Matters (JSCEM) inquiry into the *Administration of the 2019 NSW State Election*.
- the Public Accountability Committee's inquiry into the *Budget process for independent oversight bodies and the Parliament of New South Wales*.
- the Auditor General's examination of the effectiveness of the financial arrangements and management practices in four integrity agencies, including the NSW Electoral Commission.

The Electoral Commissioner has also appeared before the NSW Parliament's Portfolio Committee No. 1 – Premier and Finance (Budget Estimates).

As noted in the Electoral Commissioner's evidence and in written submissions to each inquiry, the Electoral Commission continues to face a resourcing crisis due to the out-of-date funding model.

On behalf of the NSW Electoral Commission, the Electoral Commissioner has advocated for the establishment of a more sustainable and independent funding model for the agency. In this context several issues have been highlighted, including:

- The importance of the NSW Electoral Commission being funded in a way that supports its statutory independence.
- The unsustainable basis of the current funding model. As noted above, the Electoral Commission is still largely funded as if major election events do not require significant expenditure on planning, systems maintenance and development, and security in between events.
- The shortcomings in the annual State budget process for the Electoral Commission. The Electoral Commissioner has highlighted the limited capacity of the NSW Electoral Commission to have input into, and visibility of, funding decisions made during the annual State budget process; and the impact of whole-of-government savings measures and efficiency dividends on small agencies.
- The fragility of both our workforce and information technology systems. An externally commissioned review by Bendelta commented that this fragility as it applies to staffing:

*"...[it] drives inefficiencies: in salaries and wages spend, in work and initiative discontinuities, in hiring and engagement processes and in the lack of investment in training and upskilling. This fragility presents a risk management issue for the NSW Electoral Commission and calls into question the sustainability of the organisation over the longer term."*

With regard to the JSCEM inquiry into the *Administration of the 2019 NSW State Election*, the NSW Electoral Commission's ability to implement the recommendations for the 2023 State election contained in the JSCEM's final report was noted as being contingent on adequate resources being available. The Electoral Commissioner has also noted that the ability to implement recommendations has been constrained by the shortened period between the 2021 Local Government deferred elections and the 2023 State election. The Local Government ordinary elections were postponed from 12 September 2020 to 4 September 2021, and then again to 4 December 2021, in response to the COVID-19 pandemic. The Commission has subsequently been fully occupied with multiple local and state by-elections in February 2022. This shortened runway for planning and development significantly limits changes that can be safely made to the Electoral Commission's highly bespoke and aging information technology systems, even if additional funding were to be made available.



The NSW Electoral Commission is continuing to seek approval from government for urgent and major budgetary investment in information technology and human resources to address the immediate risks that have been identified. For the longer term, however, the Electoral Commission remains supportive of a new model that will deliver greater levels of transparency and sustainable investment in the administration of NSW electoral systems. The recent inquiries and reviews have provided many worthwhile reform proposals for consideration. Unless change is made, there is an ongoing risk to the delivery and regulation of democratic processes through continued budget shortfalls, as detailed in the NSW Auditor-General's special report into *The effectiveness of the financial arrangements and management practices of four integrity agencies*:

*"The Electoral Commission has not received the full funding amount it has requested in recent years. The conduct of elections is a key element of the democratic system and underfunding this function could have serious consequences." "...the current approach to determining and administering annual funding for the integrity agencies [including the NSW Electoral Commission] presents threats to their independent status... Specific mechanisms that present threats to the independence of the integrity agencies include the absence of transparency in decisions about funding for the integrity agencies, the means of applying efficiency dividends and budget savings and reform measures, the process of providing additional funding from the Department of Premier and Cabinet (DPC) to the integrity agencies, and requests for the integrity agencies to report to DPC on their activities and outcomes."*

We look forward to working with the NSW Parliament and the NSW Government to develop a more sustainable and appropriate funding regime going forward; and new budget processes that are designed to strengthen the integrity of the public administration. Although not all issues are likely to be able to be resolved in full in this year's State budget process, the NSW Electoral Commission is looking forward to as many positive changes as possible being applied to its current requests for funding which are critical to delivering and regulating the State General Election only one year from now.



# Part two – State General Election 2023

## Introduction

The State General Election is the largest mandatory public participation event in New South Wales. It involves more than 5 million voters, 30,000 temporary staff, and complex logistical processes to print, deliver and track 30+ million ballot papers across the state. To create voting and count centres, approximately 2500 temporary venues must be procured, furnished and set up with secure IT infrastructure in metropolitan, regional and remote areas across the state.

The costs to deliver these elections has been increasing over time due to a range of external (and uncontrollable) factors, including, but not limited to: growth in elector numbers (due to NSW population increase), CPI, technology cost increases, new legislative functions and responsibilities, increased staffing and venue costs and, more recently, the costs to deliver a safe election during the COVID-19 pandemic.

Treasury provides an initial Budget allocation in the Forward Estimates to meet the costs of the NSW Electoral Commission to conduct State General Elections. However, this notional Budget allocation is based on an historical amount that does not accurately reflect the cost to deliver the election. For example, the budget provision for the State General Election in 2019 was based on an initial budget allocation (as opposed to the actual costs) for the State General Election in 2015. This left the NSW Electoral Commission with an initial \$27.5m shortfall to deliver these elections.

To address this shortfall, the NSW Electoral Commission needed to make a submission to Treasury for additional funding during the annual Budget process. The preparation of this submission required intensive work by Commission staff (i.e. the same individuals involved in planning the election event itself) to produce a comprehensive supporting business case. Following submission of the business case, these officers met regularly with Treasury and DPC officials to justify each element of the budget bid. This budget process leads to suboptimal outcomes (see Box 1 below). The issues attached to the current budget process have been extensively documented in the NSW Electoral Commission's submission to the Public Accountability Committee inquiry into the *Budget Process for independent oversight bodies and the Parliament of New South Wales* - <https://www.parliament.nsw.gov.au/lcdocs/submissions/66544/0006%20Electoral%20Commission%20NSW.pdf>

## Box 1. State General Election 2019 – Budget issues

### State General Election 2019

The NSW Electoral Commission had originally received funding of \$55.2m over two years to plan and conduct the SGE in March 2019. This amount was based only on the initial budget allocation for the SGE in 2015 with CPI adjustments.

The 2018-19 Budget allocation did not consider the \$6m overrun in SGE 2015 or that a number of new or increased costs would be incurred during SGE 2019. After a comprehensive review, it was determined that the SGE programme for 2019 was significantly under-funded and additional funding of \$31m was required in 2018-19 to deliver a successful SGE in 2019 – a funding bid was submitted to Treasury during the 2018-19 Budget process.

The requirement for additional funding was largely the product of external factors, including:

- Election staffing – Alignment of pay rates and employment conditions for casual election staff with those in the Crown Employees Award and *Government Sector Employment Act 2013*.
- IT infrastructure – Election Manager's Office infrastructure (mobile devices, wireless networking and hardware); server infrastructure (to address cyber threats); development and testing resources; and software certification.
- Venue costs – The cost of temporary offices used for early voting and Election Manager Offices increased above CPI and the need to secure a new count centre.
- Roll growth – This growth was not accounted for in the initial SGE allocation. In March 2019, the number of electors was approximately 5.3m; an increase from 5m in 2015. The growth in electors gives rise to increases in other costs such as staffing, venues, ICT infrastructure, systems and ballot papers.
- Australia Post postage costs increased by 67 per cent from SGE 2015.

While the NSW Electoral Commission achieved a significant budget increase in 2018-19 of \$22.3m (includes capital) to deliver the SGE in March 2019, not all items included in our Budget submission were funded. Unfunded items included:

- Programme Management & Risk Mitigation – \$5.51m.
- Media, Communications & Digital (website etc.) – \$1.18m.
- Election Staff Recruitment & Support – \$562k.
- Security at Election centres – \$975k.
- Australia Post Postage Cost Increase – \$880k.

The Commissioner considered expenditure on these items to be essential to the conduct of a safe and robust election and decided that additional election staffing and security related costs would be met by using an unallocated carry-forward of \$1.5m in State funding originally provided to the NSW Electoral Commission to run the 2017 local government elections. The costs of the other unfunded projects had to be met by reducing expenditure across all other funded SGE19 projects.

A full breakdown of the costs to deliver the State General Election in 2019 is provided in the Election Report, which is available at <https://elections.nsw.gov.au/About-us/Reports/Election-reports>

## State General Election 2023

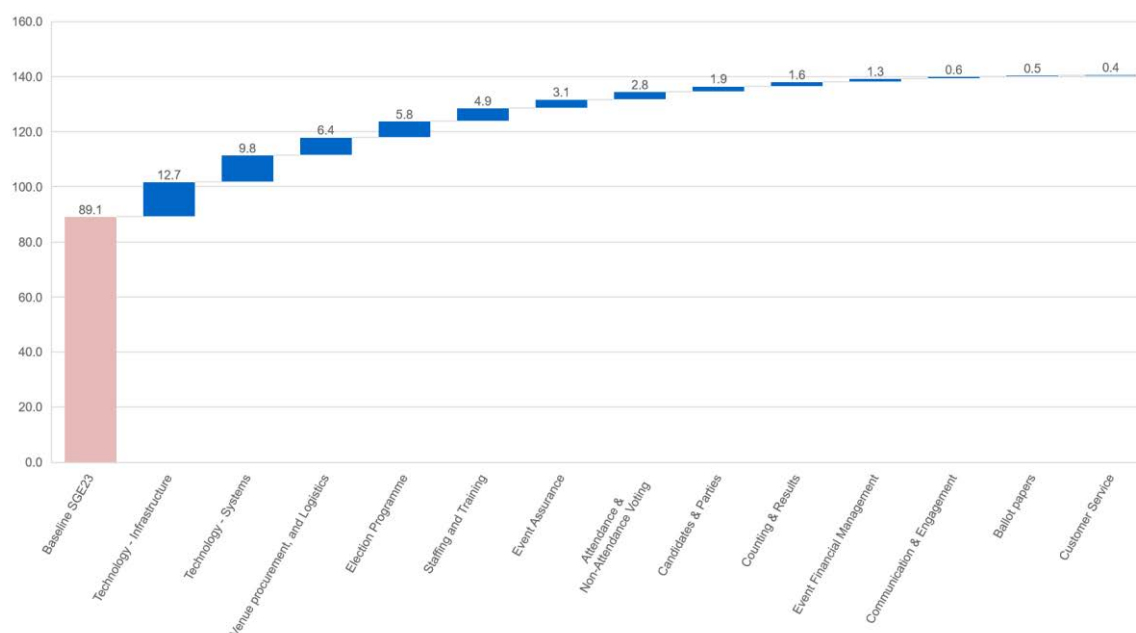
The NSW Electoral Commission has currently been allocated \$89.054m (2021-22: \$7,617k; 2022-23: \$81,437k) to deliver the State General Election in 2023. This budget allocation is well below the estimated cost to deliver the election. The current estimate is \$140.8m which leaves a funding gap of \$51.7m. This estimate does not include funding to address COVID-19 risks should the pandemic require health and safety measures to be implemented for the election.

The NSW Electoral Commission has identified enough funding internally to absorb the \$1.2m shortfall in SGE23 funding for 2021-22. In its funding submission to Treasury as part of the 2022-23 Budget process, the Electoral Commission has sought additional funding of \$50.5m for 2022-23. An outline of that funding bid is attached for the Committee's consideration. A breakdown of the funding gap is provided below.

### Funding adequacy – a gap analysis

The total cost to deliver the SGE in 2023 is \$140.8m. Against the approved baseline funding allocation of \$89.1m, this has resulted in funding gap of \$51.7m. The breakdown of this funding gap is provided in the following waterfall diagram:

Diagram 1: Elements of the SGE23 Funding Gap



Or in table form the funding gap is shown in Table 9.

Table 9: Elements of the SGE23 Funding Gap

Item	Funding Gap \$m
Technology – Infrastructure	12.7
Technology – Systems	9.8
Venue procurement and logistics	6.4
Election programme	5.8
Staffing and training	4.9

Item	Funding Gap \$m
Event assurance	3.1
Attendance & Non-Attendance Voting	2.8
Candidates & Parties	1.9
Counting & Results	1.6
Event Financial Management	1.3
Communications & Engagement	0.6
Ballot papers	0.5
Customer Service	0.4
<b>Total Funding Gap 2021-22 &amp; 22-23</b>	<b>51.7m</b>

### Key drivers of the cost increase

The main reasons for the increase in costs to deliver the SGE in 2023, which were not present in SGE19, are detailed in the Attachment. In summary, these include:

### IT infrastructure and Systems

The key cost elements in IT infrastructure include (but not limited to):

- Software Licensing – An audit of software licensing conducted by our MS Licensing partner after SGE19 indicated that NSWEC were not compliant with the Microsoft license agreement. SGE23 budget for licensing has been based on NSWEC being compliant with all software licensing requirements. *The current funding gap is \$1.1m.*
- Election Manager's Office Equipment – The NSW Electoral Commission was able to use existing stock from a rental company to deliver SGE19 at a much lower cost than expected. The SGE19 supplier has not updated their hardware since SGE19. The Electoral Commission needs to re-tender for supply of computer hardware for SGE23, the budget for SGE23 Election Manager Office Hardware is based on the average cost of the suppliers who tendered for SGE19, with CPI increase. *The current funding gap is \$3.7m.*
- Network Services – SGE19 Network services were based on the solution used for SGE15 election, using existing network hardware. The network was not fit for purpose being unreliable and difficult to support. The hardware used for SGE19 was purchased prior to SGE 2015 and is obsolete and must be replaced for this election. SGE23 delivery is based on a "Network as a Service" model where NSWEC engages a network supplier to design, install and manage both the Wide area and in office network equipment. A new solution is being designed to meet current Cyber Security and reliability requirements for election delivery, neither of which were possible for SGE19. *The current funding gap is \$3m.*
- Contract Resources – The increase in costs is based on a requirement for significant procurement of Network and Election Manager Office Hardware and planning for SGE election delivery in very compressed time schedule due to delays in holding the 2021 Local Government Elections, and the funding model for elections, where funding for these changes only becomes available in the 9 months prior to the election. Most of the contractor team need to be maintained from the LGE election to retain election delivery knowledge. *The current funding gap is \$2.6m.*

The main cost drivers in IT systems include (but not limited to):

- Election systems – The rising costs of keeping the ageing election systems that are critical to delivery of elections from catastrophic failure during SGE23. Significantly more resources, comprising technical specialists, elections staff, contractors and service providers are required to maintain these systems in their minimum viable state. Our technical debt increases with the growing gap in on-going funding to maintain these systems. There is an unacceptable risk of system failure if funding and ongoing resources are not available. *The current funding gap is \$2.9m.*
- iVote resources – Resources for configuring, testing, and updating iVote are required to deliver iVote at the 2023 State General Election. Without these critical resources (which are not funded on an ongoing basis and require event-based funding) the Electoral Commission would not be able to offer iVote at these elections. *The current funding gap is \$4.3m.*
- Online Nominations – The Electoral Commission received capital funding for online nominations for SGE19, but no on-going funding was provided. Work is required to update the system for SGE23 and resources (and cloud hosting) are required to do so. The resources include developers and testing leads. *The current funding gap is \$1.7m.*

### Venue procurement and logistics

The key cost drivers in venue procurement and logistics include (but not limited to):

- Additional centralised operations – During SGE19, the relevant team streamlined operations by combining the operations of the centralised postal centre with the centralised declaration vote processing centre. This led to several delays and operational failures, as well as staff WHS and well-being concerns (excessive hours and fatigue). Additional operations centre for postal voting is required for SGE23. More people have voted using postal voting channel in recent elections. *The current funding gap is \$1.9m.*
- Centralised back-office – The Electoral Commission will need to continue with the existing lease of Queen Square (or a similar site) as secondary office accommodation for operations during SGE23, including process readiness testing, nomination operations, iVote voting call centre and non-voter processing. This site was used for similar operations in SGE19 and LGE21, and it is the site for business continuity (BCP). *The current funding gap is: \$0.7m.*
- Venue cost increases – Election Manager's offices and early voting centre leasing cost have increased well above CPI, reflecting of the commercial real estate market for temporary leasing. These cost increases are not funded at present. *The current funding gap is \$1m.*
- Supply and logistics costs – Supply and logistics costs for SGE23 have increased significantly above CPI (e.g. fit out of Election Manager's offices and centralised operational venues, cardboard and corflutes). These market reflective cost increases have been funded. *The current funding gap is \$1m.*

### Staffing and safety

- Increased in costs of temporary election workforce. After the 2019 state general election, the NSW Electoral Commission conducted a comprehensive review of the roles and working conditions of the temporary election workforce to ensure we were meeting our work, health and safety obligations and that election workforce staff are fairly remunerated.
- This staffing model was implemented for the 2021 local government elections. Adopting the same model will increase the cost by around \$9m. Without this funding, the NSW Electoral Commission would have unacceptable risks with meeting its Work, Health & Safety obligations and be unable to pay its workers fairly.
- *The current funding gap in staffing and training is \$4.9m.*

### Event assurance, including Cyber-security and BCP:

- Cyber security – The NSW Electoral Commission has attested its non-compliance with NSW Government Cyber-security policy in several consecutive annual reports, at budget estimates hearing and PAC hearings. While global cyber-security threats continue to grow our budget submissions requesting funding to address this issue have been consistently rejected. This is detailed below (Boxes 2 and 9) and in Part Three – Cyber Security and the State General Election 2023. *The current funding gap is \$2.8m (NB: This gap will be reduced by \$2.1m upon receipt of funding from the Digital Restart Fund in March 2022).*
- Business Continuity Planning (BCP) – Enhanced BCP scope including Business Impact Assessment and conduct business continuity testing Enhanced security risk assessment and Red Team testing is being undertaken in preparation for the SGE23. *The current funding gap is \$0.3m.*

### Attendance and Non-Attendance Voting

- iVote operations – This includes iVote license costs, costs for testing accessibility, non-functional tests, and strengthened support to mitigate issues that occurred in SGE19 and LGE21. Without additional funding our ability to manage risk of failure is significantly weakened. *The current funding gap is \$1.7m.*
- Voter engagement – This includes additional project resources to support engagement with priority elector communities, improve standard operating procedures, update forms and documents, and provide on-site support to election officials. *The current funding gap is \$0.3m.*

### Candidates and Parties

- Online nominations – Additional project resources comprising a business analyst (BA) and testing resources for updating online Nominations system. NSWEC has not received on-going funding to maintain online nominations. *The current funding gap is \$1.2m.*
- Political participants engagement – This consists of greater engagement with political participants by increasing candidate enquiry centre, seminar, webinar and communications. It also includes additional resources with legislative knowledge to improve responsiveness to complex enquiries. *The current funding gap is \$0.4m.*

### Counting and Results

- WHS and key person dependency – Funding is required to reduce reliance of Head Office staff to work across centralised operations and the proposal is to use contingent workforce and temporary staff. A similar model was used in LGE21. *The current funding gap is \$0.7m.*
- Additional operations staff – Funding to engage additional contingent workforce and operations staff to operate additional site with counting postal vote centrally. *The current funding gap is \$0.5m.*

### Event Financial Management

- Project resources – engagement of key financial; project staff to ensure effective financial governance and reporting on SGE23. *The current funding gap is \$1m.*

### Communications and Engagement

- Website – The Electoral Commission must be funded to maintain and support its website during the SGE23 – these costs are currently not funded on an ongoing basis. Without additional support the Electoral Commission cannot guarantee that its website will be operational and supported during the SGE. *The current funding gap is \$0.6m.*



## Customer Service

- Telephony support – The current budget does not provide for in-house telephony support for internal operations, and an outsourced call centre support. Without additional funding our ability to service the electors of New South Wales would be significantly impacted and no telephone support would be provided to electors. *The current funding gap is \$0.4m.*

In summary, the NSW Electoral Commission is not currently funded to deliver the State General Election in 2023 – the funding shortfall is \$51.7m.

## Funding adequacy – risks and issues

There are several immediate high-level risks to the planning and delivery of the State General Election in 2023 arising from an inadequate budget. These include: Resourcing issues; ageing Election systems; and Cyber security (discussed in Part 3).

- *Resourcing issues.* Unless the unsustainable funding model for the NSW Electoral Commission changes – a model that funds temporary resources and high-cost contractors as opposed to a permanent ongoing workforce – major staffing cuts are imminent. The significant staffing issues facing the NSW Electoral Commission are detailed in Box 4.

### Box 4. State General Election 2023 – Critical resourcing issues

- The staff funding model for the Electoral Commission has become unsustainable due to its narrow focus on the costs of delivering major elections in specific calendar years, rather than the ongoing functions of the whole agency.
- With the funding model failing to keep pace with reform, the Electoral Commission has been forced to engage high numbers of contingent staff and contractors to deliver its expanded functions.
- This approach is no longer sustainable and has never been an efficient or effective use of public resources. The Auditor-General's April 2017 report – *NSW Public Sector; Contingent Workforce: Management and Procurement* noted that "Due to the absence of workforce plans, agencies were unable to demonstrate their use of contingent labour is the best resourcing strategy to address any skills gaps."
- The Electoral Commission has made a submission to Treasury in each Budget process since 2017-18 to address its resourcing crisis. No funding was provided in 2017-18 to 2019-20.
- In the 2020-21 Budget process, Treasury accepted that the organisation's staffing structure was fragile and unstable, and subsequently approved temporary Labour Expense Cap (LEC) funding for 41 of 50 critical roles sought by the Electoral Commission. However, funding for these critical roles was due to cease on 30 June 2021 – just three months before the then proposed September 2021 Local Government Elections.
- Treasury requested a resubmission of the Electoral Commission's Workforce Strategy in the 2021-22 Budget to secure ongoing funding for all critical roles.
- In the 2021-22 Budget process, the Commission made an application to convert 70 critical staff positions to ongoing status. These staff are in areas such as cyber security, elections operations, Information Services, corporate governance, and local government enforcement.
- In May 2021, Treasury approved temporary funding for 12 months for \$6.945m (equating to 44 of the 70 roles). Resulting in a shortfall of \$3.315m (from the \$10.260m that was requested).



- In October 2021, the Electoral Commission re-engaged Bendelta to assess the challenges that the Electoral Commission faces with the current funding model and the subsequent impacts on its workforce. A copy of this report is attached.
- As part of their assessment, Bendelta found that the challenges of the current funding model and the events of the past two years have meant there has been limited investment made in ensuring that organisational capability – both in terms of systems and people – remains fit for purpose and responsive to changing needs. As a result, the organisation remains reliant on legacy systems; there are increasing concerns about staff wellbeing; and there is underinvestment in core workforce management practices.
- Bendelta also found that NSWEC's workforce remains fragile as there is a misalignment of workforce permanency and ongoing funding, increasing concerns regarding staff fragility indicators, high key person dependency risk and a high employment cost model.
- The current workforce funding model has already forced the NSWEC into a position where existing inadequate and fragile staffing numbers must be reduced each year to meet allocated funding targets. Development and retention of specialist subject matter expertise in election planning, logistics and delivery requires more than a yearly tenure, yet 132 employment contracts expire by 30 June 2022. While some of these resources can be funded by temporary SGE funding there are mission critical workers that do not have an ongoing funding source and these resources are the immediate focus of our funding submission to Treasury in 2022-23. Continuation of this funding model will result in major staffing and skills cuts and the inability of the NSWEC to deliver its legislative responsibilities to manage critical elements of the State's democratic processes.
- In February 2022, the Electoral Commission will be making another submission to Treasury to increase the NSW Electoral Commission'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.
- However, this is not the full extent of the Electoral Commission's resourcing crisis. To meet our efficiency savings target in the 2022-23 Budget through reductions in staffing, as recommended by Government, we would have to lose 9 Full-time equivalent positions. This is in addition to the unfunded positions noted previously.

*Ageing election systems.* The failure to provide adequate budget support also has had a significant impact on the Commission's legacy election systems. These issues are detailed in Box 5.

## Box 5. Legacy Election systems

- Several interconnected bespoke computer systems are required to enable the Electoral Commission to deliver an election event.
- The systems have been developed over a 15-year period and include a combination of systems developed on behalf of the Electoral Commission and systems developed in house to support specific elements of the election process.
- The main systems for election event management are over 10 years old and have been continually amended to support changes in legislation and election delivery processes.
- The complexity of the systems has grown over time so even small changes can have significant, unexpected impacts on delivery of an election. Due to this complexity testing of the systems needs to start at least 9 months before election day.

- Examples of delays and issues associated with system complexity:
  - During the LGE in 2021 two of the main election systems (EMA and PRCC) used to manage pre-poll and election results had multiple service interruptions due to system crashes caused by software problems. Operational work arounds were implemented to minimise the impact on the public, but these work arounds added to the workload of election staff and increased delivery risk.
  - During the State General Election in 2019 an issue with one of the core election systems (EMA) caused a significant disruption to early voting. This interruption led to the JSCEM report into the election recommending “That the NSW Electoral Commission review the reliability of the electronic mark-off system before the next NSW State election and make any necessary changes.” Without investment in the existing systems, it will become more likely that system issues like this will cause disruptions to an election.
  - LGR – changes to support more cost-effective options to run local government elections (postal-only elections and countback by-elections) are not yet fully implemented.
  - Fixes for known cyber security vulnerabilities have been delayed.
- As funding for preparation for election events is focused on the 12-18 months prior to an election, system changes need to be carried out during this period with extended testing required, the window for system changes is reducing and the flexibility to support change is reducing.
- Following the issues encountered in the State General Election in 2019 (cited above), the Electoral Commission engaged an Enterprise Architect and two analysts to review the business value and technical value of the systems used to deliver an election. This review has confirmed that the 4 core systems used to deliver an election (EMS, EMA, PRCC and VTR) provide poor business value (do not support current business processes well) and have low technical value (use out of date software and have poorly managed data interfaces). These issues are highlighted for the 4 main systems but were also observed in the other 40 systems used to deliver an election.
  - EMS – Manages the overall election configuration including the venues used and staff requirements. (Business Value 11/30, Technical Value 11/30).
  - EMA – Manages election delivery including pre-poll mark-off, postal voting, election night results and results assurance. (Business Value 14/30, Technical Value 10.5/30).
  - PRCC – Manages election results, including data entry of ballot paper voter preferences and the distribution of preferences for both LA and LC vote counts. (Business Value 20/30, Technical Value 10.5/30).
  - VTR – Publication of Election night and post-election night results. (Business Value 21/30, Technical Value 13.5/30).
- The election systems used by the Electoral Commission are fully depreciated and because of their age need to be renewed and updated. The team supporting the election systems is funded from election event funding and does not have the remit or capacity to document and plan a full replacement of the election systems. The team is currently focused on finalising the State by-elections in February 2022, supporting future by elections and planning development to rectify critical known problems hoping to extend the life of the existing systems so that they can support the SGE in 2023.
- The Electoral Commission needs to start planning now for replacing or updating its election systems prior to the State General Election in 2027. Experience from other electoral commissions is that total replacement would take about 5 years to complete. A programme for the State General Election in 2027 would have to be completed by end June 2026 to be fully tested prior to March 2027, therefore a 5-year replacement project would have to start in June 2021 to meet this schedule.
- The Electoral Commission is looking to develop a longer term 10-year programme that looks beyond the State General Election in 2027.

- As the Electoral Commission needs to continue supporting its existing systems for the State General Election in 2023 and the Local Government Elections in 2024 it would be necessary to build an independent team to develop the replacement systems.
- In the 2021-22 Budget process, the Electoral Commission submitted a business case (titled 'Election Systems Modernisation') to fund changes to the current systems to be used for the State General Election in 2023 and to start the planning process for the system updates / replacement required beyond this election. The business case was not funded.
- The implications of not securing funding are significant and raise the risk profile of delivering the state general election in 2023 (and indeed all elections) to an unacceptable level. These risks include:
  - The risk of system outages occurring during elections will escalate due to increasing complexity, notwithstanding significant investment already made in the lead-up to general elections in preparing and testing systems.
  - It may not be possible to address known cyber security issues with systems as the risk associated with the change may be too high.
  - The continued delivery of short-term solutions which increase the technical complexity and inflexibility of its election systems.
  - The lead-time for preparing and testing systems in readiness for a general election, which already involves a minimum 12 months of intensive effort, will likely grow. The Electoral Commission's capacity to respond to changes over that period will continue to be very limited.

## 2022-23 Budget Submissions

The NSW Electoral Commission's funding submissions in the 2022-23 Budget process are summarised in Box 7.

### Box 7. Budget submissions 2022-23

In the 2022-23 Budget process, the NSW Electoral Commission will submit five (5) PTAs: Workforce Strategy; SGE23; FDC Online; Special Elections Taskforce; and Election Campaign Funding. The submissions, including supporting business cases, will be formally lodged with Treasury on Friday, 25 February 2022. A summary of each is provided below:

Title	Description	Cost - FY23	Cost - 10 Year
Workforce Strategy	To increase NSWEC's Labour Expense Cap (LEC) and seek funding for 60 identified positions to stabilise its current fragile staffing structure to successfully deliver its core function which includes elections management, engagement oversight and regulatory services.	\$7.8m	\$82.6m
SGE23	Additional funding required to conduct the NSW State General Elections in March 2023. NSWEC received funding allocation of \$89.1 M for FY21/22 and FY 22/23, to conduct the 2023 State General Elections (SGE23). After detailed budget planning, it has been projected the full programme of work and service delivery will require \$140.6 M. This supplementary funding submission seeks to address the funding gap of \$50.4 M in FY 22/23. The additional \$1.2 M in FY 21/22 can be absorbed by existing current year funding.	\$50.4m	\$100.8m
FDC Online	Seek additional funding to enable the NSW Electoral Commission (NSWEC) to complete delivery of the Funding and Disclosure Online system (the portal) for electoral participants, following its initial successful "Go Live" in 2021.		
Special Elections Taskforce	Short-term increase in temporary workforce funding to meet compressed timeframes and competing demands for election staff workforce capacity resulting from rescheduling of Local Government Elections, imminent State Government Elections and state and local government by-elections. Funding will sustain a temporary team of election workforce with focus on conduct of local government and state by-elections.	\$1.7m	\$1.7m
Election Campaign Funding	Additional protected funding required to ensure there is sufficient funding available for NSWEC to be able to pay claims made by political parties and candidates against the Election Campaign Fund (under Electoral Funding Act 2018), in relation to the State General Election 2023, 2027 and 2031.	\$13.7m	\$25.7m
<b>Total</b>		<b>\$80.5m</b>	<b>\$226.0m</b>

# Part three – Cyber security and the 2023 NSW State General Election

## Introduction

- Protection against cyber interference in NSW electoral processes is essential to the maintenance of public trust in democratic processes in NSW. Without these protections, it may be impossible for the NSW Electoral Commission to provide assurance that NSW elections continue to deliver a legitimately elected Government and Parliament. Overseas events in recent years have highlighted the importance of maintaining trust in the outcome of an election.
- Regrettably, and despite repeated funding submissions since January 2018, funding has not been provided to the Electoral Commission to increase its cyber security maturity. As such, the Electoral Commissioner cannot provide an assurance to this Committee, and the NSW community, that the Electoral Commission is funded to proactively identify or deal with a cyber-attack were it to occur at the State General Election in March 2023.
- NSWEC has been working with the federal Election Integrity Taskforce, ACSC and Cyber NSW to ensure we have a good understanding of the overall threats and risks associated with delivery of elections and the operation of our systems. The assistance and support of these agencies has been a real benefit, and this is expected to continue during the preparation for the SGE. Cyber NSW will continue to provide support, including threat intelligence reporting, risk assessment, implementation assurance for DRF funded initiatives, independent monitoring of systems, escalation and support during incidents and targeted reviews of individual systems. These activities will help NSWEC do as much as possible to manage the cyber security risk in the limited time available before the State General Election in 2023.

## Background

- At its meeting on 12 December 2018, the Council of Australian Governments (CoAG), having acknowledged that acts of foreign interference can threaten our sovereignty, values and national interests, agreed that Electoral Commissions, security and government agencies will work together to ensure that Australia's electoral systems are resilient to cyber threats. This was recognised as a part of a broader effort to protect our elections from foreign interference.
- A review of the Cybersecurity Maturity of NSW Electoral Commission was carried out by the Department of Home Affairs in 2018 as part of a review of all Australian Electoral Commissions. The review was requested by CoAG (and undertaken by Deloitte) as part of its recognition of the cyber risks associated with the electoral process in Australia.
- The review identified a low level of maturity in the NSW Electoral Commission when assessed against the ACSC Essential 8 Maturity Model. A detailed NSWEC commissioned review of ACSC Essential 8 maturity and roadmap for improvement recently completed by Deloitte has assessed the current maturity as zero against each of the 8 elements. The Deloitte report has also highlighted that "The stated objectives of the NSW Electoral Commission are highly ambitious and may falsely set unrealistic expectations", "Team capability and capacity appears to be insufficient to address the maturity goals" and that there is a "Lack of funding to rollout security initiatives in the timely manner".
- The Electoral Commission has also commissioned reviews by PwC, and Roger Wilkins AC, to increase its cyber security maturity. These reviews, and that prepared by Deloitte for CoAG on all Australian electoral commissions, have informed the development of a Cyber Security Plan for the Electoral Commission. The Cyber Security Plan has also been informed by the NSW Government's Digital Information Security Policy and informed by close dialogue with State and Commonwealth agencies, including the national intelligence agencies and Cyber Security NSW. But despite this work, funding has not been provided to the Electoral Commission to increase its cyber security maturity.

- In addition, the NSW Electoral Commission is not compliant with the NSW Government Cyber Security Policy. In the absence of additional resources, it is not possible to forecast if, and when, such compliance can be achieved. The cyber security controls identified in the Government's Policy are aimed at protecting the key information assets, or 'Crown Jewels', of each agency. Currently, the Electoral Commission's crown jewels are not as secure as they should be.
- Some of the NSW Electoral Commission systems, which are integral to the delivery of elections and management of political parties and campaign financing, are more than 10 years old and were not designed with cyber security in mind. Examples of such systems include:
  - EMA (Introduced prior to SGE2011) – Used to manage elector mark-off during pre-poll and election results. Has a very complex user account management process which provided incorrect access to some users during SGE19.
  - PRCC (Introduced prior to SGE2011) – Used to carry out data entry of voter preferences and the distribution of preferences to elect representative for both LA and LC. System uses unsupported software framework with known cyber vulnerabilities.
  - EMS (in use since 2009) – Used for election planning, also provides lookup services enabling voters to find their nearest polling place etc. System uses unsupported software framework with known cyber vulnerabilities.
- Recent breaches in Solarwinds and Accellion File Transfer systems have demonstrated the severe impact to key operational practices caused by exploitation of system vulnerabilities by either nation states or commercially driven malicious actors. In addition to these vulnerabilities, recent Log4j related vulnerabilities prove that unless there is a sustained control and monitoring based assurance model several of the systems can lead to data loss and other misuse. These incidents had impacted several major global organisations including NSW public sector organisations.

### Current cyber security funding

- In the absence of significant state investment, the NSWEC has been using existing funding to do what it can to increase its cybersecurity maturity. This has led to a piecemeal approach to cyber security, mainly focused on critical election processes. Additional funding is required to ensure that elections in NSW are free from external interference and can be relied upon to deliver a democratically government.
- The current funding provided to the NSWEC for cyber security consists of:
  - support the hosting of our core iVote system in a secure data centre (\$2.1m in 2021-22)
  - 12-month temporary funding for 3 cyber roles (\$575K in 2021-22)
  - Software licencing (this is not specific to cyber security alone).
- The NSWEC also uses the Elections Budget to fund critical cyber security activities – total value of \$322K in 2021-22.
- In summary, the amount available to the NSWEC to ensure its systems are safe and secure, and to proactively anticipate and respond to a cyber-attack, are inadequate. This issue has been raised by the Commissioner in various appearances before Parliamentary Committees (as noted earlier), and the Electoral Commission has sought funding to bolster its cyber security defences and to meet the Government's minimum cyber requirements in each annual budget process since January 2018.



- A summary of the NSWEC Cyber Security Treasury submissions is provided below:
  - The NSW Electoral Commission developed and submitted an initial cyber security business case in 2018-19 valued at \$5.1m. This business case was only approved by the Government to the extent of 'seed' funding of \$100K. This funding was used to engage PwC to carry out a review of our cyber security maturity and to develop a strategy to uplift our cyber security to become compliant with ISO 27001 standard for Information Security. This strategy (NSWEC Cybersecurity and Privacy Strategy) included costing for specific elements of implementation and formed the basis of all future cyber business cases.
  - A new business case was submitted in 2019-20. The business case was informed by: the NSWEC's Cybersecurity and Privacy Strategy; the recommendations in the Wilkins Report on the Security of the iVote System; an external review by PwC; the COAG sponsored Department of Home Affairs/Deloitte Cyber-Security Maturity Review of Commonwealth, State and Territory election systems and processes); the Department of Finance, Services and Innovation's Digital Information Security Policy; and the NSWEC's Cyber Security Policy.
  - This business case sought funding to enhance the NSWEC's security capability and deliver a structured, approach to the management of information security and data governance aligned with ISO management systems, including the implementation of preventive and detective security controls, and improve the cyber resilience and response capability of the organisation to cyber security threats. This business case included costs associated with ongoing secure hosting of the iVote system. In response to that business case funding of \$2.578m per annum for 10 years was approved for iVote secure hosting costs only. No other funding was provided.
  - In 2020-21, the cyber security business case was resubmitted as part of the Budget process. At this resubmission, the amount of uplift that could be delivered prior to the State General Election in 2023 had been reduced. The submission was unsuccessful.
  - Most recently, in January 2021, a revised cyber security submission was made to the Budget process. This submission sought funding from July 2021 to implement a comprehensive cyber security strategy, increase security maturity and capability (\$5.7m sought in 21-22; \$41.7m over 10 years). The cyber funding submission was not funded by Treasury and instead was referred to the Digital Restart Fund (DRF) for consideration.
  - A DRF funding request for \$4.88m was submitted in November 2021 and this submission was approved on 18 February 2022.
- The 2021-22 business case was used as the basis for the DRF funding request. The referral of our funding bid for DRF consideration has delayed starting this project by at least 6 months. The cyber changes that can be implemented prior to the SGE in March 2023 will be limited because of these delays. Another issue with DRF funding for this initiative is that DRF funding is provided for a limited time only. NSWEC requires ongoing operational funding to build the required cyber security capability within the organisation.

### Impact of delay in Cyber Security Funding for SGE 2023

The business case submitted in January 2021 was the last opportunity to gain funding in time to implement significant security upgrades prior to the State General Election in 2023. The components that were target in this business case for implementation prior to SGE23, but cannot now be fully delivered included:

- Enhanced internal cyber security team with long term tenure.
- Achieve an ACSC Essential 8 maturity of level 2 across all 8 components.
- Implement improved access management controls for election systems.
- Implement privileged (super user) account management
- Improve security of system interfaces between systems
- Ongoing external Security Operations Centre

- Improved system logging and monitoring
- An Information Security Management System (ISMS) compliant with NSW Government Cyber Security Policy.
- Improved data security architecture and controls.
- Comprehensive incident management and response planning.
- Staff awareness training.

The DRF funding proposal is a subset of the original business case, delivering access management changes and ACSC essential 8 improvements. With the reduced DRF scope and DRF funding only approved on 18 February 2022 and only expected to be available for use from March 2022. Many of the planned initiatives will not be delivered, or only partially delivered, for the SGE in March 2023 as the project is starting 9 months later than originally planned.

The new target for Cyber improvement for SGE using existing election event delivery funding and the DRF funding is as follows.

- No increase in cyber security team. Current team consists of 1 staff member with permanent funding and 4 with temporary funding. These resources will be supplemented by contract staff for SGE.
  - Missed opportunity for overall team uplift.
  - Reliance on contract staff who may not be retained after the event
- ACSC uplift only possible to a maturity of average 1.5 across the 8 components. Work will include enhancement of backup management, end point security and access controls.
  - Lack of adequate baseline controls for systems including end point devices and servers, possible exposure to current and future vulnerabilities.
  - Increased possibility that the security controls required will impact on service delivery
- No changes possible to access controls for users of Election Systems. Activity will focus on access controls for privileged accounts (super users).
  - Known issues associated with current user account controls will continue for SGE23.
  - Risks will have to be managed by operational controls which impact flexibility and service delivery.
- Security Operations Centre will be implemented for SGE23, but does not have ongoing funding,
- No opportunity to significantly improve application-level logging for existing systems.
  - Monitoring improvements will target infrastructure components with existing logging capability.
  - Application monitoring and problem detection will not be significantly improved, leaving a risk of application-level compromise.
- Unlikely that compliance with NSW Government Cyber Security Policy will be achieved prior to SGE23.
- Data security architecture and controls uplift will focus on review, remediation and testing of our existing architecture.
  - No capacity to implement new architectural components
  - Remediation will only be able to address highest areas of concern due to limited time to re-test after changes.
- Limited incident management and response planning. Most planning will be carried out as part of the election event assurance.
- Staff awareness training delivered as part of overall event planning and assurance.



## Funding adequacy

The questions before the Committee is whether funding is adequate to enable the NSW Electoral Commission to ensure the integrity of these elections arising from foreign interference, particularly as it relates to cyber interference. The simple answer is no. The funding is inadequate and the timeline to address these issues before SGE23 is also inadequate.

Currently, the Electoral Commission does not have sufficient funding or adequate time to address Cyber related threats and risks to the State General Election in 2023.

Some of the key residual risks to SGE23 will be:

- Lack of adequate system security controls for legacy application services – A majority of the election systems are not designed with security controls in place. These applications / systems may be vulnerable to external interference. The interference could impact delivery of the election. NSWEC may not be able to detect this interference if it occurs, so validity of the election results could be questioned after the election.
- Inadequate baseline security controls, as defined by Essential 8 requirements:
  - Deficiencies in the processes to assess and patch systems for new cyber risks, exposing NSWEC to possible service interruption or failure during the SGE.
  - Poor management of user accounts and account access levels for temporary election staff, potentially leading to incorrect or unauthorised access to systems.
  - Inadequate control of end user devices, including 3,000+ devices being used temporarily at Election Manager offices and count centres during the election.
  - Multifactor authentication will not be in place to control access to many of the systems used to deliver the election, increasing the risk of unauthorised access.
- Inadequate data security controls and data life cycle management:
  - Data stored on end-user computers may not be well controlled and managed which could lead to exposure of sensitive data, including roll data and other Personally Identifiable Information (PII).
  - Access to data stored on central systems may not be well controlled, enabling unauthorised or unapproved access and alteration of sensitive data including PII and election information.

## Direct and indirect costs of a cyber-attack

In the event that the electoral system is subject to a cyber-attack which were to bring into question the integrity of the election and the result, the NSW Electoral Commission may be required to rerun the state election. This would have a significant financial impact on the state and have broader impacts.

The NSW Electoral Commission has engaged PwC to determine the economic costs associated with re-running the NSW state election. This report, which is currently being finalised, puts the baseline estimate in the order of \$175 million. This estimate includes costs incurred by the NSW Electoral Commission in re-running the process, reimbursements to candidates and parties from the Election Campaigns Fund, campaign costs incurred by parties and candidates, and costs to the broader community.

However, while the direct costs can be met by the State there are broader implications of a failed election, such as the economic and social costs to the wider economy brought on as a result of uncertainty around future policy and leadership in NSW. This could have financial repercussions for the government and businesses as political uncertainty can result in stock market volatility, lower productivity and slower economic growth. This cost is difficult to quantify for NSW as research into the impact of political uncertainty is largely done on a national level rather than sub-national environments.

What is required is that the NSW Electoral Commission is adequately funded to ensure that it can both plan for, and respond to, any cyber-attack. This is not the current situation.

## **Attachments**

Bendelta 2021 NSW Electoral Commission – Workforce Strategy and Resource Plan.

State General Election 2023 Critical Funding Gap, February 2022.

# State General Elections 2023 critical funding gap

February 2022

# Overview

2

NSWEC received funding allocation of \$89.1 M in FY21/22, and FY 22/23 to conduct the 2023 state general elections (SGE23)

After detailed budget planning, it has been projected the full programme of work and service delivery will require \$140.8 M

This supplementary funding submission seeks to address this funding gap of **\$51.7 M**

After identifying \$1.2 M in FY21/22 can be absorbed by existing year funding, NSWEC is seeking additional funding of **\$50.5 M**.

	\$(M)
Baseline SGE23 funding	89.1
Internal funding in FY21/22	1.2
Funding gap	50.5
<b>Total SGE23 projected budget</b>	<b>140.8</b>

# Key drivers for funding gaps (1/3)

3

## 1. Extreme risks

- i. Cybersecurity, data security, election interference
- ii. service failures, irregularities (website, election systems, lack of training, iVote)
- iii. WHS and well-being of staff

## 2. Ageing critical election systems

- Becoming exponentially complex and costly to maintain and support to achieve a minimum level of acceptable reliability

# Key drivers for funding gaps (2/3)

## 3. Structural funding issues

- i. Over-reliance on election event funding for essential resource and core capabilities
  - Too few on-going staff to provide sufficient capacity to adequately scale up to state-wide elections servicing 5.4 million electors
  - Reliance on temporary staff and contractors complement overstretched on-going staff
- ii. Project funding decisions – allocating for capital funding without operating funding
  - Rely on event funding to support
  - Inefficient and more costly to maintain and support systems
- iii. Critical obsolete election equipment require refresh
  - No other funding available

# Key drivers for funding gaps (3/3)

## 4. Market driven above CPI cost escalations

- i. Materials and equipment costs impact by global supply chain issues
- ii. Temporary venue hire and commercial lease

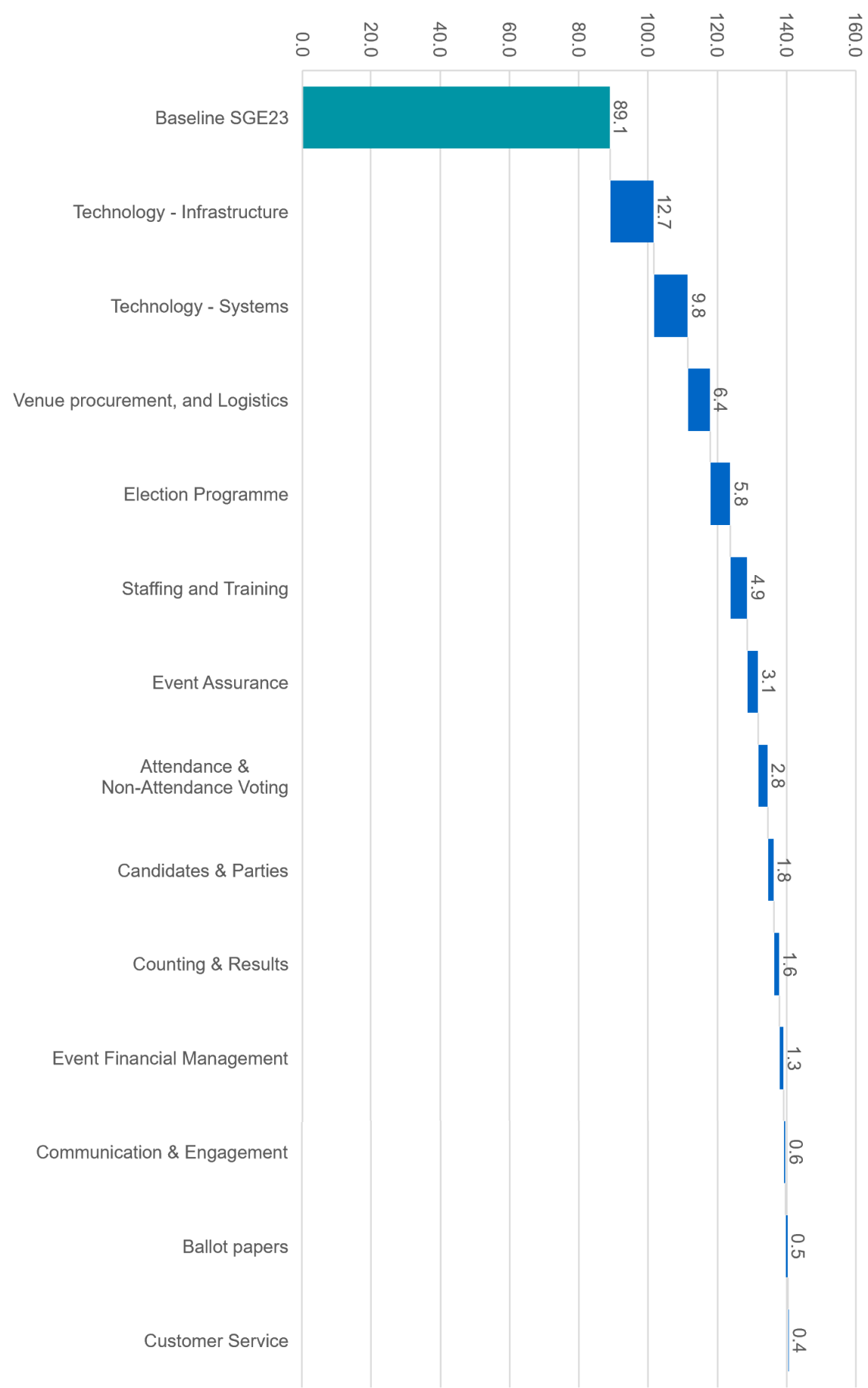
## 5. Meeting budget outcome KPIs in increasingly complex environment

- i. 100% election staff trained
- ii. No successful challenge to election results due to NSWEC irregularity

## 6. Local government elections twice postponed – adverse impact to SGE23

- Time to prepare SGE23 shortened by 15 months, must scale up project resources to complete programme of work

# SGE2019 funding gap elements





# Funding gap breakdown

	\$(M)
Technology - Infrastructure	12.7
Technology - Systems	9.8
Venue procurement, and Logistics	6.4
Election Programme	5.8
Staffing and Training	4.9
Event Assurance	3.1
Attendance & Non-Attendance Voting	2.8
Candidates & Parties	1.9
Counting & Results	1.6
Event Financial Management	1.3
Communication & Engagement	0.6
Ballot papers	0.5
Customer Service	0.4
<b>Total</b>	<b>51.7</b>

# Funding gap reduction opportunities

## Total funding gap reduction opportunities - \$4.0 M

- If Workforce Business Case is accepted in full
  - SGE23 funding gap can be reduced by \$ 1.9 M
- If Cybersecurity Digital Restart Fund Lean Business Case is accepted in full
  - SGE23 funding gap can be reduced by \$ 2.1 M

# Technology – Infrastructure (1/2)

9

Funding gap	\$ (M)
<p><b>Election Manager's Office and Count Centre Cabling and Infrastructure</b></p> <p>Significant increase in the complexity of setting up EM Offices due to use of NBN / 4G highbred model. Assumption is that an initial site surveys will be required for each office as part of setup. Installation schedule for SGE19 was high risk and a number of EM Offices were not installed by the start of Nominations making the Election Managers processing during this time difficult. Also problems with infrastructure reliability and safety due to poor infrastructure planning.</p>	0.4
<p><b>Election Manager's Office consumables (Toner etc)</b></p> <p>Large increase in the totals required at EM offices as part of LGE delivery. New printers purchased under Capex budget for SGE19 included 1 x additional toner with each printer. This is now moved to Opex hence increase.</p>	0.2
<p><b>Fixed Telephony</b></p> <p>SGE 19 used NSWEC existing PABX system for delivery of call centre services at head office. NSWEC has since moved offices and implemented a new phone system at head office. The new phone system is cloud based and has a simpler base service, but is capable of providing more robust call centre features, however these come at additional cost. Additional budget required to plan and implement more robust call centre features.</p> <p>SGE19 call centre phone system did not manage the call loads experienced during the election, causing customer complaints and dissatisfaction.</p>	0.5
<p><b>Mobile Telephony</b></p> <p>Mobile phone costs were not correctly captured in the SGE19 budget. New phones were purchased using capex budget, devices are not usable for SGE23 (complaints from LGE)</p> <p>Requirement for "smart devices" increases call / plan costs and price for hardware.</p>	0.3
<p><b>Software Licensing</b></p> <p>An audit of software licensing conducted by our MS Licensing partner after SGE19 indicated that NSWEC were not compliant with the Microsoft license agreement. SGE23 budget for licensing has been based on NSWEC being compliant with all software licensing requirements.</p>	1.1

# Technology – Infrastructure (2/2)

10

Funding gap	\$ (M)
<p><b>Election Manager's Office Equipment</b></p> <p>NSWEC was able to use existing stock from a rental company to deliver SGE19 at a much lower cost than expected. The SGE19 supplier has not updated their hardware since SGE19, they were required to provide additional hardware for LGE, and charged \$750 per device. NSWEC need to re-tender for supply of computer hardware for SGE23, the budget for SGE23 EM Office Hardware is based on the average cost of the suppliers who tendered for SGE19, with CPI increase.</p>	3.7
<p><b>Network Services</b></p> <p>SGE19 Network services were based on the solution used for SGE15 election, using existing network hardware. The network was not fit for purpose being unreliable and difficult to support. The hardware used for SGE19 was purchased prior to SGE 2015 and is obsolete and has to be replaced for this election. SGE23 delivery is based on a "Network as a Service" model where NSWEC engages a network supplier to design, install and manage both the Wide area and in office network equipment.</p> <p>New solution designed to meet current Cyber Security and reliability requirements for election delivery, neither of which were possible for SGE19.</p>	3.0
<p><b>Venue Installation</b></p> <p>SGE19 budget was very low, mainly because of the use of the Election Manager and their team for decommissioning, and some installation at an EM office. Installation quality was poor leading to unreliability and poor service. SGE23 budget assumes professional installation as part of the EM Office equipment contract.</p>	0.9
<p><b>Contract Resources</b></p> <p>Increase in costs is based requirement for significant procurement of Network and EM Office Hardware and planning for SGE election delivery in very compressed time schedule due to delays of LEG elections from September 2020 to December 2021. The majority of the contractor team will be retained from the LGE election to retain election delivery knowledge.</p>	2.6
<b>Total</b>	<b>12.7</b>

# Technology - Systems

11

Funding gap	\$ (M)
<b>Election systems</b> <ul style="list-style-type: none"> <li>– systems are ageing and becoming expensive to maintain and support. Expanded resources planned for SGE23 including test manager, solution architects, and business analyst.</li> <li>– Strengthened non-functional testing to maintain / improve accessibility, performance, security and reliability</li> <li>– Heightened application support during the election event due ageing election systems more demanding to support</li> </ul>	2.9
<b>System integration</b> expanded development and test resource on system integration due to increasing complexity of legacy technologies used in election systems	0.5
<b>Election delivery</b> Additional resources to complement existing senior developers and application architects to deliver updates to election systems for SGE23.	0.5
<b>iVote</b> resources for configuring, testing, and updating iVote, similar resources were also engaged in the lead up to 2019 state general elections. In SGE19, those resources were funded through an iVote project that was only allocated capital funding  Also Include iVote resources such as iVote Technical Director, this is a Treasury decision to use election event budget to part fund on-going iVote resources	4.3
<b>Online Nominations</b> Received capital funding for online nominations for SGE19, but no on-going funding. Work is required to update the system for SGE23. Resources include developers, test lead, as well as cloud hosting.	1.7
<b>Total</b>	<b>9.8</b>

# Venue procurement and logistics (1/2)

Funding gap	\$ (M)
<b>Voting centre cost increases</b> largely driven by above CPI NSW DOE increases of school hire fees	0.6
<b>Election Manager's offices and early voting centre leasing cost increases</b> leasing cost increases above CPI, reflecting of the commercial real estate market for temporary leasing	1.0
<b>Additional centralised operations</b> During SGE19, the operations tried to streamline operations by combining the operations of the centralised postal centre with the centralised declaration vote processing centre. This led to a number of delays and operational failures, as well as staff WHS and well-being concerns (excessive hours and fatigue). Additional operations centre for postal voting is required for SGE23. More people have voted using postal voting channel in recent elections. Include facilities management costs.	1.9
<b>Centralised back-office</b> Continue with existing lease of Queen Square (former Land Titles Office building) as secondary office accommodation for operations including process readiness testing, nomination operations, iVote voting call centre, and non-voter processing. This site was used for similar operations in SGE19 and LGE21. This site is also a business continuity (BCP) site. Existing infrastructure is in place. There is significant impact to NSWEC resources to find new site, and provisioning that will impact on already severely constrained skilled workforce. Costs include also outgoings such as building services. This is a government property.	0.7
<b>Project staff</b> Additional project staff to support procurement of suitable sites, increasingly difficult market for office accommodations, warehouse and other operational sites for temporary hire. Support for purchases of large quantity of materials	0.3

# Venue procurement and logistics (2/2)

Funding gap	\$ (M)
<b>Supply and logistics costs escalation</b> Supply and logistics to Election Manager's offices across the state as well as centralised operations. Supplier costs and materials costs such as cardboard and Corflue have increased significantly above CPI.	1.0
<b>Project management resources</b> Project manager (shared with ballot paper project), contract resource to negotiate contracts with seven suppliers, additional temporary support staff	0.9
Total	6.4

# Election programme (contingency)

14

Funding gap	\$ (M)
<b>Contingency</b> Apply 5% contingency for the programme (\$7 M), less some savings offsets.	5.8
Total	5.8



# Staffing and training

15

Funding gap	\$ (M)
<b>Temporary election workforce – voting centre (election day staff)</b>  Strengthen training comprising additional online training and face-to-face training for polling place staff. NSWEC has a goal of 100% training for election workforce.  New determination for election day election officials roles to align with LGE21. Also additional staff to setup voting centres to meet WHS obligations "	2.4
<b>Temporary election workforce – Election Managers, Office Assistants, Contingent Workforce</b>  WHS - increase staffing level to ensure no one working in isolation, Election Managers, Office Assistants (OAs), and Senior Election Officials (SOA) roles to alignment Commissioner's determination in LGE21. Increase in recruitment costs for senior election officials (EMs and SOAs) due to the difficulty of recruiting temporary staff in the current market. Engaging two contingent workforce suppliers to improve contingent workforce performance (supplier under-performance in SGE19 led to delays and failures)	2.5
<b>Total</b>	4.9

# Event Assurance

16

Funding gap	\$ (M)
<b>Cybersecurity</b> New project stream focusing on uplifting Cybersecurity posture and readiness for election systems and election delivery	2.8
<b>Business Continuity Planning (BCP)</b> Enhanced BCP scope including Business Impact Assessment and conduct business continuity testing Enhanced security risk assessment and Red Team testing	0.3
<b>Total</b>	3.1

# Attendance & Non-Attendance Voting

Funding gap	\$ (M)
<b>Improve voter engagement, improve process</b> Additional project resources to support engagement to voters in homelessness, improve standard operating procedures, update forms and documents, provide on-site support to election officials	0.3
<b>iVote resources</b> critical iVote resources including crucial resources who is not funded on-going during election year.	0.6
<b>iVote operations</b> iVote license costs (SGE19 had discount), costs for testing accessibility, non-functional tests, expect strengthened support to mitigate problems that occurred in SGE19 and LGE21 - manage risk of failure	1.7
<b>Postal voting</b> additional operational resource (contingent workforce due to operating postal voting in a standalone site. Operational issues & failures, and process delays in SGE19.	0.2
Total	2.8

# Candidates & Parties

18

Funding gap	\$ (M)
<b>Project management</b> Project Manager in SGE19 was funded by online Nominations in 2019	0.3
<b>Update online nominations</b> Additional project resources comprising a business analyst (BA) and testing resources for updating online Nominations system. NSWEC did not receive on-going funding to maintain online nominations..	1.2
<b>Political participants engagement</b> Greater engagement with political participants by increasing candidate enquiry centre, seminar, webinar and communications. Additional resources with legislative knowledge to improve responsiveness to complex enquiries.	0.4
Total	1.9

# Counting & results

19

Funding gap	\$ (M)
<b>Project resources</b> Additional temporary project resource to planning, test, and support larger centralised operations across three centralised operations, 93 Election Manager's offices, and results management team	0.3
<b>Additional operations staff</b> Additional contingent workforce and operations staff to operate additional site with counting postal vote centrally.	0.5
<b>WHS and well-being and key person dependency</b> reduce reliance of NSWEC HO staff to work across centralised operations - use contingent workforce and temporary staff instead. Similar model already applied in LGE21.	0.7
Total	1.6

# Event financial management

20

Funding gap	\$ (M)
<b>Project resources</b> Start payroll manager earlier, facility manager , project manager, project accountant, resource time capture accountant	1.0
<b>Development</b> Staple Super development Additional contingent workforce and operations staff to operate additional site with counting postal vote centrally.	0.2
<b>Software licenses and maintenance</b> T@W, Expens8, Infor BI	0.1
Total	1.3

# Communication & engagement

21

Funding gap	\$ (M)
<b>Website and digital transformation</b> Digital Transformation project in 2019 covered costs of website development, also funded other project resources. The costs to upgrade website and project resources need to be met by SGE23.	0.6

# Ballot papers

Funding gap	\$ (M)
<b>Materials and supplier costs increases</b> Significant materials (paper) costs increases above CPI. Supplier costs of services projected to be above CPI.	0.5

# Customer service

Funding gap	\$ (M)
<b>Telephony support</b> In-house telephony support for internal operations, outsourced call centre support	0.4



# Workforce & Resource Plan

2022 – 2026

NSW Electoral Commission

FINAL 14/12/21

δ bendelta



# Executive Summary

In October 2021 the NSW Electoral Commission (NSWEC) engaged Bendelta to support the development of a 2022 Workforce and Resourcing Plan (Plan). The purpose of the Plan is to improve the overall sustainability of the workforce so that it can meet the objectives of the organisation now and into the future.

Throughout the last decade, the role of NSWEC has changed considerably – no longer can it be characterised as a “boom and bust” organisation that experiences long periods of dormancy punctuated every two years by the frenetic activity that is associated with a State Government Election or a suite of Local Government Elections. Its remit has been progressively expanded with the incorporation of FDC; the requirement to administer an increasing number of Legislative Acts; and with the increasing emphasis on developing a range of digitised and innovative voter related systems and applications to encourage voter participation and to further enhance the integrity and efficiency of the electoral system.

Whilst NSWEC’s remit has increased and broadened, however, the Labour Expense Cap (LEC) funding for the “ongoing” staff complement has not kept pace. The funding model which is event driven assumes that staffing needs are tightly correlated with election events, but this is not the case. In essence, the staffing implication of the increased remit is not reflected in NSWEC’s recurrent funding base and its LEC.

NSWEC operates with a complex funding model and strict constraints on the use of different funding buckets for staffing purposes; this has resulted in an increasing proportion of staff being employed to do the core work of the organisation on non-ongoing employment terms.

Over the past two years, the NSWEC has faced increasingly complex and volatile operating conditions. Changing expectations from elected members for assistance, greater calls from voting constituents for accountability and transparency by governments and elected officials, increased political instability at all levels of government and a less predictable election cycle given the pandemic have all increased the core work of the organisation. The pressure on the NSWEC to deliver expertly as well as flexibly and nimbly has never been greater.

Unfortunately, workforce sustainability is constrained by the current funding model. In 2028/19, when the initial version of this Plan was developed, it was found that the funding provided by NSW Treasury was insufficient to cover the need for the quantum of permanent or ongoing staff required to undertake the core work of the organisation. Despite business cases in 2019/20 and again in 2020/21 requesting additional funding to meet the costs of the core workforce, and whilst there was recognition of the additional core roles requiring funding, only temporary funding has been provided.

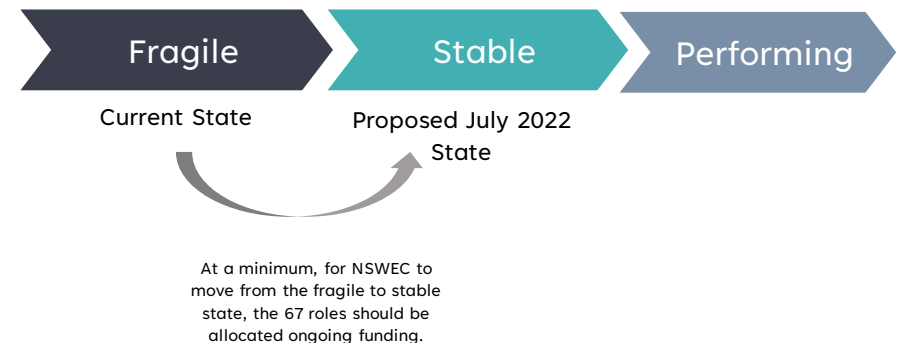
The challenges of the current funding model and the events of the past two years have meant there has been limited investment made in ensuring that organisational capability – both in terms of systems and people – remains fit for purpose and responsive to changing needs. As a result, the organisation remains reliant on legacy systems; there are increasing concerns about staff wellbeing; staff engagement levels have started to decline; and there is underinvestment in core workforce management practices.

The NSWEC workforce is fragile. There is misalignment of workforce permanency and ongoing funding, increasing concerns regarding staff fragility indicators, high key person dependency risk, a high employment cost model, duplication and rework due to obsolete systems and a lack of a compelling EVP for a post-COVID talent market.

In order to stabilise the workforce, deliver free and fair elections in NSW at both a State Government and a Local Government level and to be responsive to the needs of the State and Local election cycles as a legislative obligation; politics and the actions / decisions of elected officials that dictate the need for by-election; and the ongoing impacts of the pandemic; NSWEC’s core funding needs to be increased.

The quantum of funding required to immediately stabilize the workforce is LEC funding for an additional 67 roles.

## NSWEC Workforce Profile



# Executive Summary

---

The case for each of the 67 roles falls into one of two categories:

- **INTEGRITY:** To recognise decisions made to offer ongoing role status despite that lack of ongoing role funding. This means that all ongoing roles underpinned by temporary funding, would now attract ongoing funding. There are 48 roles in this category.
- **FUTURE FIT:** To convert to ongoing existing roles, underpinned currently by temporary funding, but that have significant strategic importance and are required on an ongoing basis. There are 19 roles in this category.

A third category has included to acknowledge new capabilities required in the future but submitted as part of specialised (and separate) business cases.

At a minimum, for NSWEC to move from the fragile to stable state, all roles within the integrity and future fit categories should be allocated ongoing funding.

If implemented, the key benefits of this Plan are:

- stabilisation of the core workforce and improvement in the ability of the Commission to respond to ongoing complexity and volatility with confidence.
- improved NSWEC employee value proposition by honouring commitments made to individuals and to enable prospective employees to be guaranteed job security.
- increased likelihood of a return on investment for any employee developmental activities because staff with permanency are more likely to be retained by the Commission.
- creation of capacity for continuous improvement projects.
- increased engagement and performance due to the overall and ongoing organisational commitment to employee safety and wellbeing.

The Plan concludes with 4 recommendations:

1. For the NSWEC Executive team to review the Resourcing Plan and agree an appropriate phasing to each of the three categories.
2. For the NSWEC Executive Director, Corporate to lead the development of a business case to be submitted to Treasury in February 2021. The objective of the business case will be to request the ongoing funding of the 67 roles detailed in this Plan.
3. For the NSWEC Executive team to develop and implement an action plan to address the workforce management practices highlighted in this document. The action plan objective should be to enhance the overall NSWEC employee experience and manage the identified risks around wellbeing and safety.
4. Over the course of the next few years, the NSW Executive to undertake a full operational review of NSWEC's structure. The objective of the review will be to develop structural options for the future, including the identification of new roles and capabilities. This is a further piece of work to inform the third category and over a period (i.e. performing). This work should not preclude funding for the first 2 categories being realised/approved.

# Contents

Executive Summary	1
Context	3
Current state case for change:	7
• NSWEC's operating environment is complex and volatile	
• Organisational responsiveness to the volatility comes at a cost to employee wellbeing	
• Ongoing operational volatility makes it difficult to prioritize strategic improvement initiatives	
• The current funding model is unsupportive of a sustainable workforce model	
The Resourcing Plan	27
Recommendations	35

# Context

---

⑧ bendelta



# The NSWEC Workforce remains fragile

---

In October 2021 the NSW Electoral Commission (NSWEC) engaged Bendelta to support the refresh of the Workforce & Resourcing (Plan) first developed in 2018/2019. The initial Plan took a broad view of the work required to develop a more sustainable employment context for the NSWEC and had a four-year outlook. Specifically, the Plan made recommendations to address the finding that “as a consequence of its funding model, NSWEC has a high-cost employment model and a highly transient workforce. Relatively few staff are employed on an ongoing basis and the organisation relies heavily on a contractor pool who cost significantly more per head.” NSWEC was found to have a fragile staffing model.

The fragility of the NSWEC’s workforce arrangements has not significantly improved in the last 3 years. In 2018/19 only 28.6% of roles held ongoing status, despite business cases in 2019/20 and 2020/21, justifying the need to address workforce sustainability and increase the proportion of roles with ongoing status, Treasury has made funding available for a number of critical roles to be extended, but only on a temporary basis.

The purpose of the NSWEC workforce and resourcing plan is to improve the sustainability of the workforce and to provide a sound foundation for decisions relating to:

- setting realistic operational plans and deadlines based on the workforce capacity available
- rearranging or reallocating resources as business imperatives shift
- planning for succession and mitigating key person dependency
- the health, wellbeing and workloads of employees
- the NSWEC’s competitiveness in attracting and retaining talent
- the establishment of new roles and long-term status of existing roles
- responsible management of workforce budgets.

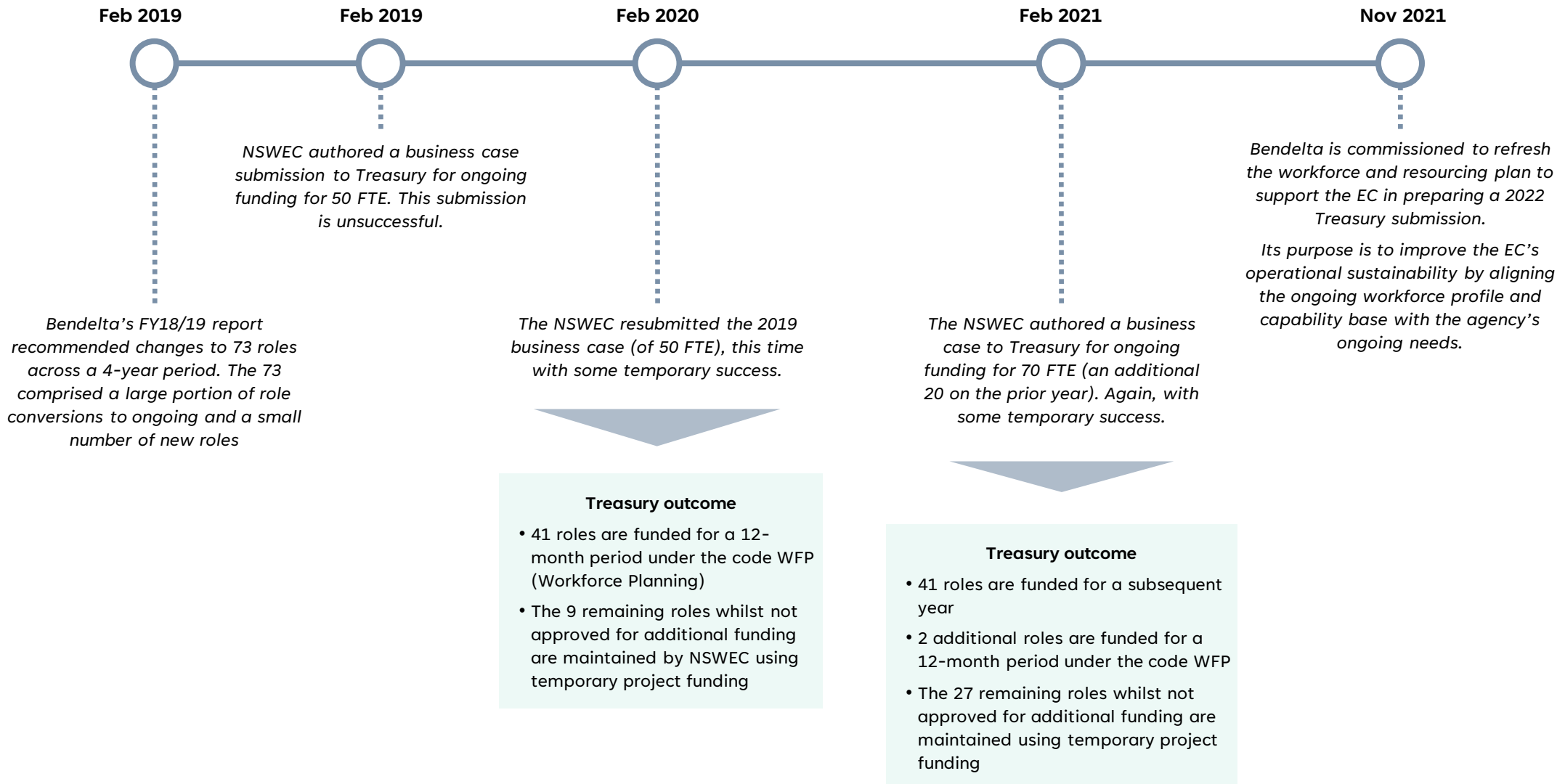
Bendelta’s approach to the 2021 review was to understand

- what changes have been made to the workforce profile since 2019
- how the remit and the operational cadence of the organisation has changed over time
- the indicators of an organisation struggling to meet the demands of its mandate efficiently and effectively from both a cost and an employee wellbeing perspective
- the demonstrated ability of the organisation to prepare for its future in terms of continuous improvement and succession planning

The outcome of this report will be

- a suite of recommendations about what is required to improve the sustainability of the NSWEC workforce
- the analysis to support a business case to the NSW Treasury for a revised funding quantum and mix.

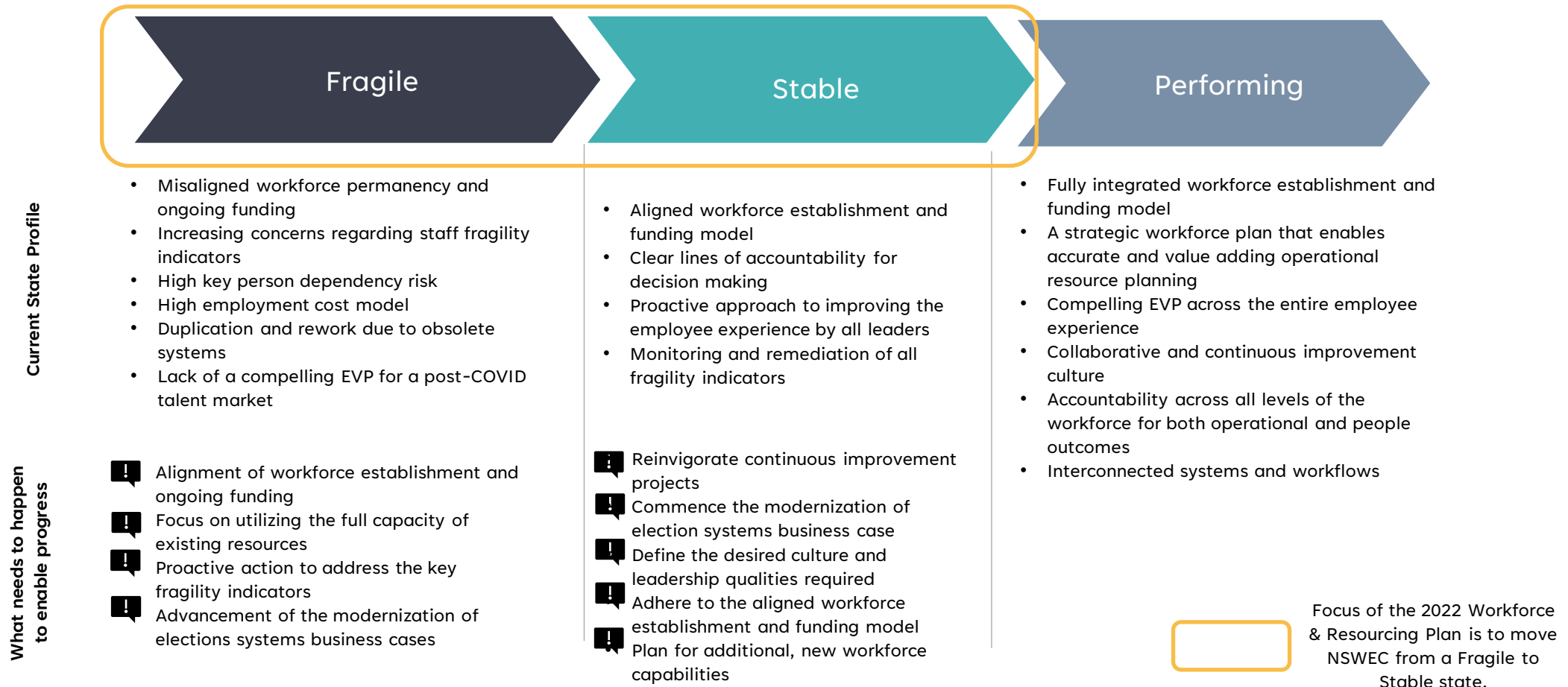
# Since 2019, the fragility of the NSWEC's workforce arrangements has not significantly improved





# Improving the sustainability of the workforce requires a whole of EC response

A sustainable workforce is one that can meet the demands of the organisation now and in the future. The current state fragility of the EC remains an impediment for a future focused resourcing plan and therefore must be addressed as the priority. In order to move the EC from a fragile state to a stable/performing one, the recommendations of this Plan must be addressed as a priority.



\*Key staff fragility indicators include (but not limited to) excessive annual leave balances, concerning trends in forfeited hours, WHS incidents



**Current state: NSWEC's  
operating environment is  
complex and volatile**

---

⑧ bendelta



# The operating environment is complex and volatile

*“The NSW Electoral Commission is central to delivering democracy with integrity and fairness in New South Wales. The Electoral Commission’s work combines planning and running elections, with regulatory work in maintaining the integrity of our political landscape. This work is supported by ongoing policy, research, communications and engagement activities.” (NSWEC Strategic Plan 2021–2024)*

Over the past two years, the environment in which the NSWEC operates has continued to change with increasing expectations from elected members for assistance, greater calls from voting constituents for accountability and transparency by governments and elected officials, increased political instability at all levels of government and a less predictable election cycle given the pandemic. The pressure on the NSWEC to deliver expertly as well as flexibly and nimbly has never been greater. Unfortunately, there has been limited investment over time, in ensuring that the capability – both in terms of systems and people – has remained contemporary and fit for purpose.

## The election cycle is less predictable

Over the last two years, the cycle of Local Government elections in NSW has become less predictable due to the impact of the pandemic and NSW’s reliance on in-person voting. In September 2020 and again in September 2021 the NSW Local Government election was postponed due to pandemic related issues. The impact of the rescheduling of Local Government elections is widespread, as planning runways for State and Local Government elections and for by-elections at both levels, are long and carefully sequenced. NSWEC staff work across all election forms and as such the availability of resourcing is highly dependent on strict adherence to an agreed calendar. The start stop impact of these two postponements to Local Government elections, in relatively quick succession, has caused significant disruption, leaving the NSWEC little time to;

- Deliver a Local Government election in December 2021, whilst being in the flow of planning for a March 2023 State Election
- Plan and Deliver at least 5 State Government By-elections in early 2022
- Advance the work on the organisation’s strategic initiatives, including system and platform replacements
- Invest in the myriad of HR related issues that are critical for enhanced workforce sustainability

Election type	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22f	2022/23f
State Election (# of electoral districts)	0	0	93	0	0	0	93
Local Government Election (# of councils)	76	45	0	0	0	124	0
By-election State	6	3	1	0	1	A minimum of 5	TBD
By-election Local	3	8	5	0	0	TBD	TBD
Total by-elections	9	11	6	0	1	TBD	TBD
Other elections	17	30	13	21	24	17	TBD

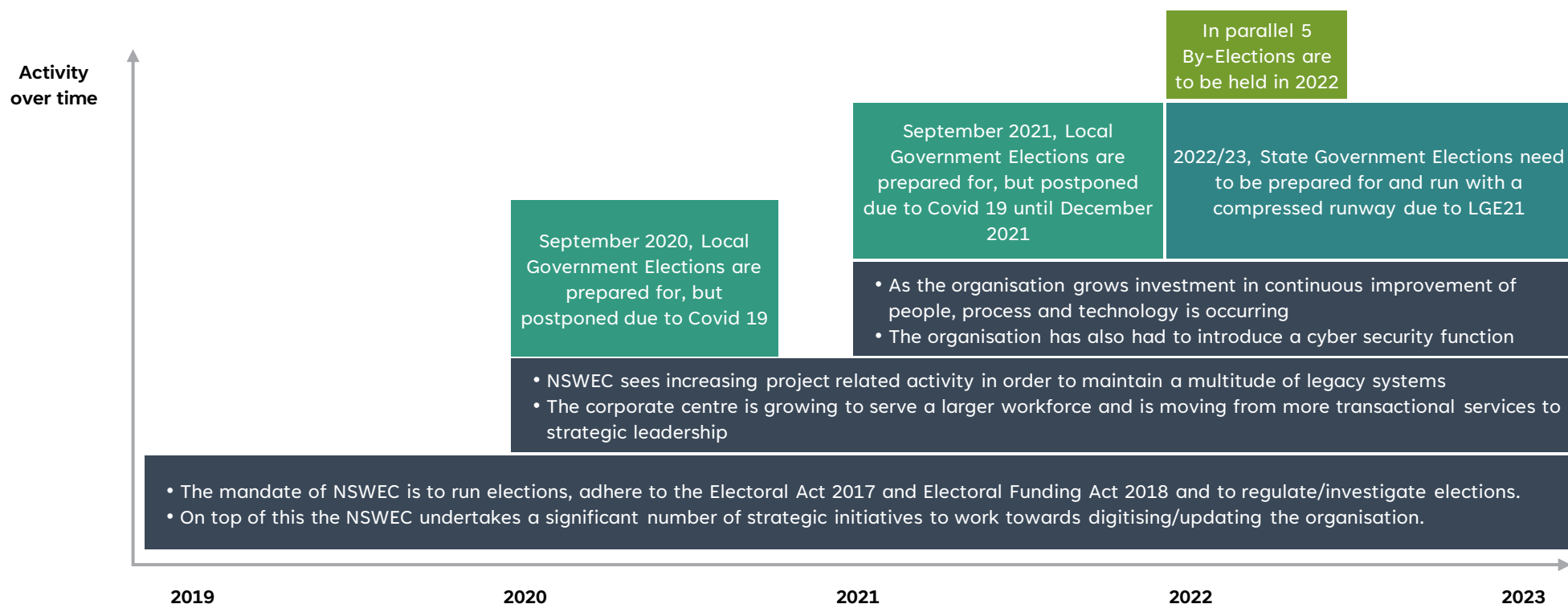
# The operating environment is complex and volatile (cont'd)

## The core of NSWEC's work is steadily increasing

The remit of NSWEC has increased substantially over the past decade. Not only is the organisation expected to perform a range of additional election related duties (i.e., election adherence to the Electoral Act 2017 and Electoral Funding Act 2018), as the organisation matures it is also seeing increased effort in the areas of compliance, system maintenance, continuous improvement, workforce management and at times process and technology transformation (i.e., iVote, FDC Online etc.)

Compression of election timelines due the pandemic has only served to exacerbate the workload issues of the NSWEC, as lead times decrease and resources that would typically move from one election to the next are unable to do so with the overlap.

Growth in the activity of NSWEC from 2019 to 2023



# The operating environment is complex and volatile (cont'd)

## The NSWEC systems are ageing, increasing in complexity, inflexible and prone to outage

NSWEC relies on over 50 internally-developed business systems to deliver impartial and effective electoral services tailored to meet unique NSW legislative requirements. The 2021 business case for *Election Systems Modernisation\** describes the current system infrastructure as “ageing, increasing in complexity, inflexible and prone to outage” and it requires “repeated short-term decisions and architectural compromises on their ongoing development and maintenance” to meet the demands of the increasingly unpredictable election cycle.

The workforce impact of the ageing system infrastructure is significant. There is:

- A limited number of options to staff and operate the highly bespoke internal systems, leading to an unsustainable high cost employment model;
- Duplication of effort and constant workarounds, due to system inflexibility;
- Increased resource requirements for testing as the ageing systems become more and more unstable;
- Heightened key person risk due to system complexity and a lack of documentation for bespoke systems.

In response, the *Election Systems Modernisation\** business case proposed two ways forward for both long and short term relief:

- a) A 10-year plan and budget for election systems which includes analysis of technology options and assumptions, such as NSWEC’s potential to leverage a National Electoral Platform and other alternatives in the longer term.
- b) System interface improvements, data management improvements and DevOps service improvements necessary to extend the working life of existing systems to cover SGE23 and LGE24. This includes licensing of necessary tools, and three ongoing staff positions. These are strategic capabilities, the major cost of which is in establishing them. This investment will be lost without commitment to fund the relevant technology tools, resources and staff in an ongoing capacity.

The business case proposed a full, ongoing implementation approach which would have “enabled NSWEC to not only build but also maintain foundational technical capabilities, to manage system interfaces, and to develop data and a DevOps practice over a longer term.”

The estimated operating cost of the approach was \$8.9m across 4 years. Workforce costs included a dedicated project team made up of new specialist consultants and contractors:

- \$2.0m of recurrent employee costs across the 4 year period; and
- \$4.9m of project team costs across the 4 year period

The above costs included funding for 3 additional roles across the 4 year period. These roles were designed to ensure that test and deployment automation practices were consistently applied across all related technology projects and changes. It is not clear as to if these roles would be part of the recurrent employee cost or the project team.

**Despite repeated business cases, the issue of the ageing systems has not been resolved. The 2021 Election Systems Modernisation business case was unsuccessful, further compounding the workforce fragility.**

# The operating environment is complex and volatile (cont'd)

## Acute workforce shortages will continue in 2022

The 'great resignation' is a term first coined in late 2020 by A&M University Academic, Anthony Klotz, in response to rising resignation rates following the COVID19 pandemic and into 2021. Much of Klotz's predictions are based on the US market, but it is highly anticipated that Australia will follow trend and more and more workers will opt for greater flexibility and fulfillment when choosing their future employer.

In addition to the impending exodus, Australia's continued border closures have meant the normal influx of international labour has not been available to top up the talent pool, leading to workforce shortages across most industries.

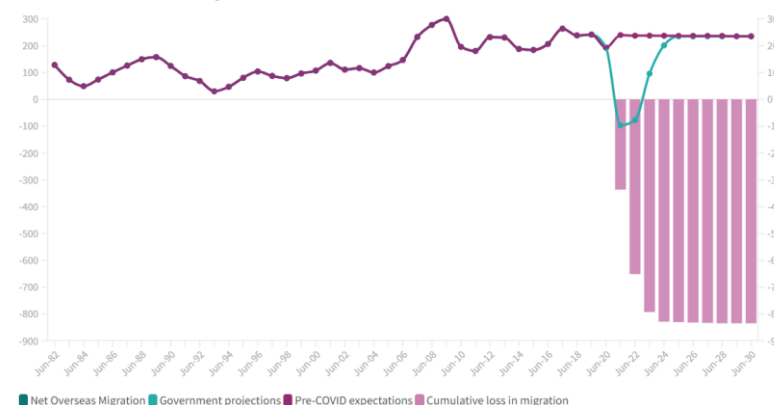
Acute workforce shortages have been widely publicised in sectors that have a high demand on casual workforces, e.g., hospitality, agriculture, tourism. But equally, there are signs that Australia's knowledge-based workforce is under strain as well.

According to the latest ABS data, the public sector is not immune. The number of job vacancies in public administration and support services have risen from 86,000 in May 2020 to 175,000 in August 2021. This workforce shortage is being felt by NSWEC in a few different ways:

1. The challenge to attract suitable candidates to fill long standing vacancies becomes even more difficult.
2. The investment to retain existing staff becomes a vital organisational strategy that requires leadership and skilled resources.
3. Organisational adaptability and creativity is required to ensure talent requirements and the associated strategies are able to evolve 'with' the market.
4. A strong 'build' pipeline must be in place, to complement a talent 'buy' approach.

### Closed borders means there is little workforce supply relief for organisations experiencing high resignation rates

**Closed borders have a permanent impact on Australia's population**  
Thousands, net overseas migration



Source: EY analysis of ABS, IGR and Population Statement data

Australia's migration program typically adds nearly 250,000 people to our population, however, COVID-19 and closed international borders saw migration swing to a net outflow of 95,000 people in 2021.

\*Source: Here comes the Great Resignation. Why millions of employees could quit their jobs post-pandemic [ABC Radio National](#)  
/ By [Lisa Leong](#) with [Monique Ross](#) and [Maria Tickle](#) for [This Working Life](#) Posted Fri 24 Sep 2021 at 6:00am



Organisational  
responsiveness to the  
volatility comes at a cost  
to employee wellbeing

---

⑧ bendelta



# Excessive annual leave balances are a risk to worker well being and performance

Excessive annual leave balances are an unhealthy indicator for an organisation. In an environment where staff are actively encouraged to take leave and refresh, the high percentage of NSWEC staff with excessive leave balances suggests an inability to balance an employee’s entitlement to leave with the operational demands of the organisation.

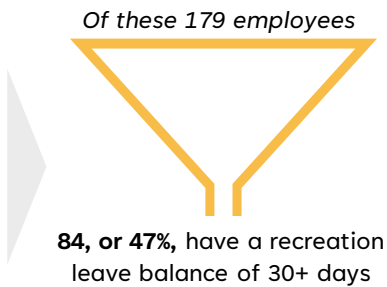
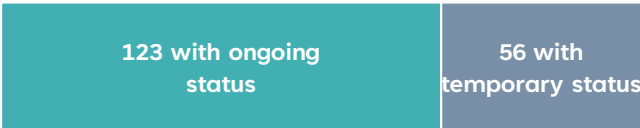
The NSWEC Award states the following in relation to recreational leave:

*“Paid recreation leave for full time NSWEC staff members and recreation leave for staff members working part time, accrues at the rate of 20 working days per year. At least two (2) consecutive weeks of recreation leave are to be taken by a staff member every 12 months, except by agreement with the Department Head. The Department Head shall notify the staff member in writing when accrued recreation leave reaches 8 weeks and direct the staff member to take at least 2 weeks recreation leave within 6 weeks of notification.”*

In parallel a circular issued by the Department of Premier and Cabinet in 2020, that is still active today, advises agency heads to make all reasonable attempts to ensure accrued employee recreation balances are kept to a maximum of 30 days or less.

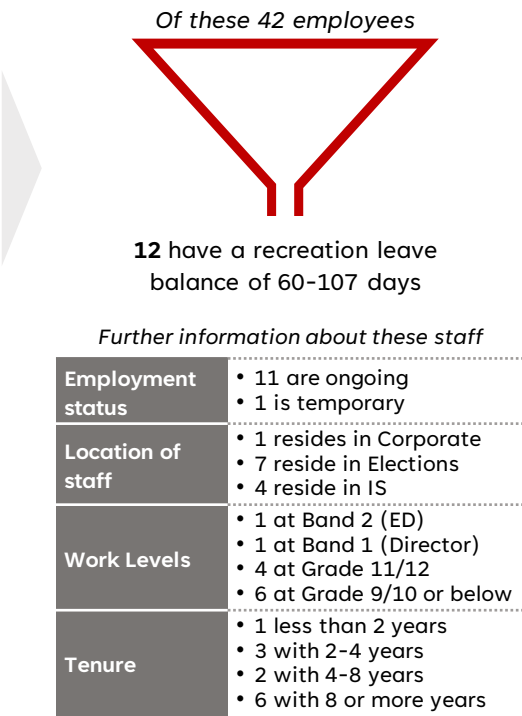
## Recreational Balances at the NSWEC in 2021

Employees\* in the payroll system as at 25 November 2021  
(headcount, n=179)



Further information about these staff

Employment status	<ul style="list-style-type: none"><li>• 38 are ongoing</li><li>• 4 are temporary</li></ul>
Location of staff	<ul style="list-style-type: none"><li>• 11 reside in Corporate</li><li>• 17 reside in Elections</li><li>• 7 reside in FDC&amp;GC</li><li>• 7 reside in IS</li></ul>
Work Levels	<ul style="list-style-type: none"><li>• 2 at Band 2 (ED)</li><li>• 4 at Band 1 (Director)</li><li>• 15 at Grade 11/12</li><li>• 21 at Grade 9/10 or below</li></ul>
Tenure	<ul style="list-style-type: none"><li>• 10 less than 2 years</li><li>• 12 with 2-4 years</li><li>• 9 with 4-8 years</li><li>• 11 with 8 or more years</li></ul>



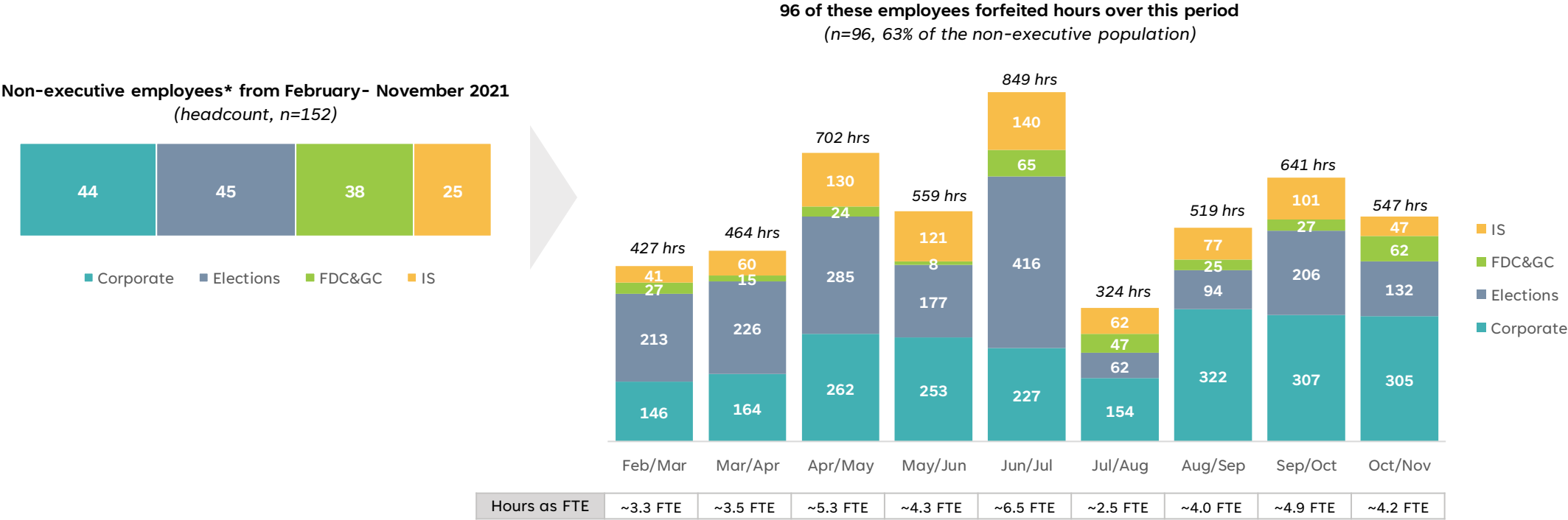
There is evidence that a high proportion of ongoing and temporary staff of the NSWEC have excessive leave balances. This point towards several risks to the organisation, from an inability to meet operation demands, to fatigue, well being and performance issues with staff. This issue is particularly prevalent in the Corporate, Elections and IS divisions. It is also being seen with very senior and tenured staff.

# A significant portion of non-executive staff are forfeiting hours every month

Forfeited hours in the NSWEC indicate that a significant proportion of staff are being asked to work an unsustainable quantum of hours, posing a workplace health and safety risk. Whilst the impetus for forfeited hours may well be due to a shortage of appropriately skilled and knowledgeable staff to do the work at hand, there is a danger that the practice of and dependence on forfeited hours becomes institutionalised and a negative cultural attribute.

Organisations with unreasonable levels of overtime typically experience higher levels of turnover and find it more challenging to attract and recruit new staff.

The NSWEC has a flex policy whereby staff receive flex leave for the first 20 hours of time worked over and above their normal hours within a settlement period (1 month). If more than 20 hours of excess work occur, then those hours are forfeited for the month.



**Note:** 31 of the 96 employees forfeited from 70 to 258 hours across the 9-month period, which equates to 2-5 weeks of work

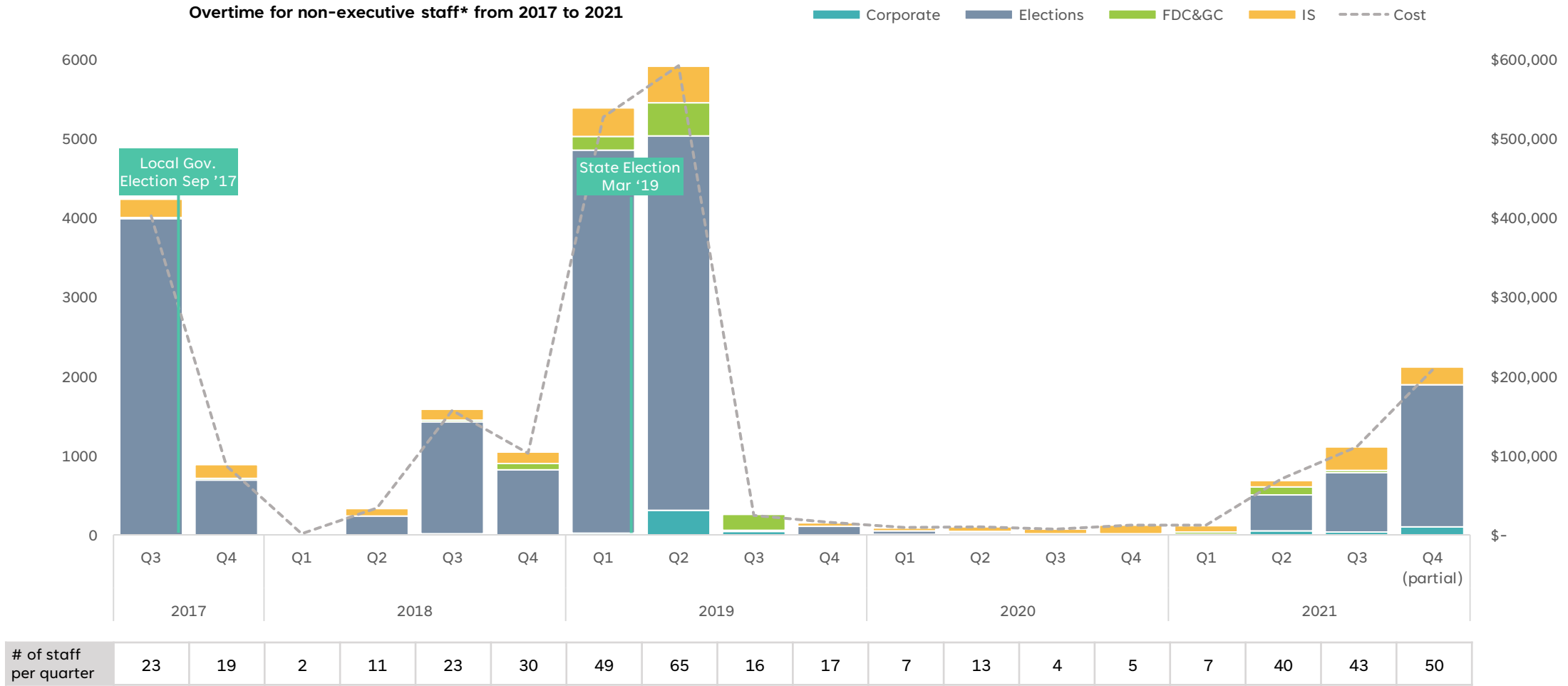
There is evidence a large proportion of ongoing and temporary staff (63%) are forfeiting hours each month, due to excessive working hours. These forfeited hours are consistently high and equate to significant FTE effort. Drilling down, a subset of staff (20%) are forfeiting hours in the extreme, at 70–258 hours for the period of this analysis. This exacerbates organisational risk in the forms of fatigue, wellbeing and performance issues with staff.

# Concentrated periods of overtime are a risk to staff wellbeing

The NSWEC Award states that ‘the Department Head shall grant compensation for directed overtime worked either by payment at the appropriate rate or, if the staff member so elects, by the grant of leave in lieu.’ Overtime must be applied for in advance or directed by a leader.

Overtime within the NSWEC seems to follow a predictable pattern. During elections overtime is high, with a significant portion of the Elections team performing additional paid hours, then in the periods in between elections only a very small number of staff engage in overtime. Whilst the reliance on overtime may be relatively sporadic and on average quite low within the NSWEC, there is a danger that during peak overtime months it poses a workplace health and safety risk for staff.

Overtime for non-executive staff\* from 2017 to 2021







Ongoing operational  
volatility makes it difficult  
to prioritise strategic  
improvement initiatives

---

⑧ bendelta

# Operational fire fighting is detracting from a focus on continuous improvement

As part of the integrated NSWEC planning framework a strategy planning workshop was held in July 2021 to; review the ongoing strategic plan and to ensure it remained fit-for-purpose in the current climate; to identify key learnings to apply in FY22 and beyond; and to review organisational priorities for FY22. A realisation that came out of this workshop was that “although the NSWEC is driven by the best of intentions, it often takes on more than can realistically be achieved, particularly in light of continuing funding shortfalls. That means priorities can’t be landed and, in some cases, available resources can’t be used and remain unspent on some projects.”

As a result, the NSWEC Executive team re-sequenced the group of strategic initiatives, with core election related projects being prioritised and other continuous improvement initiatives being deferred.

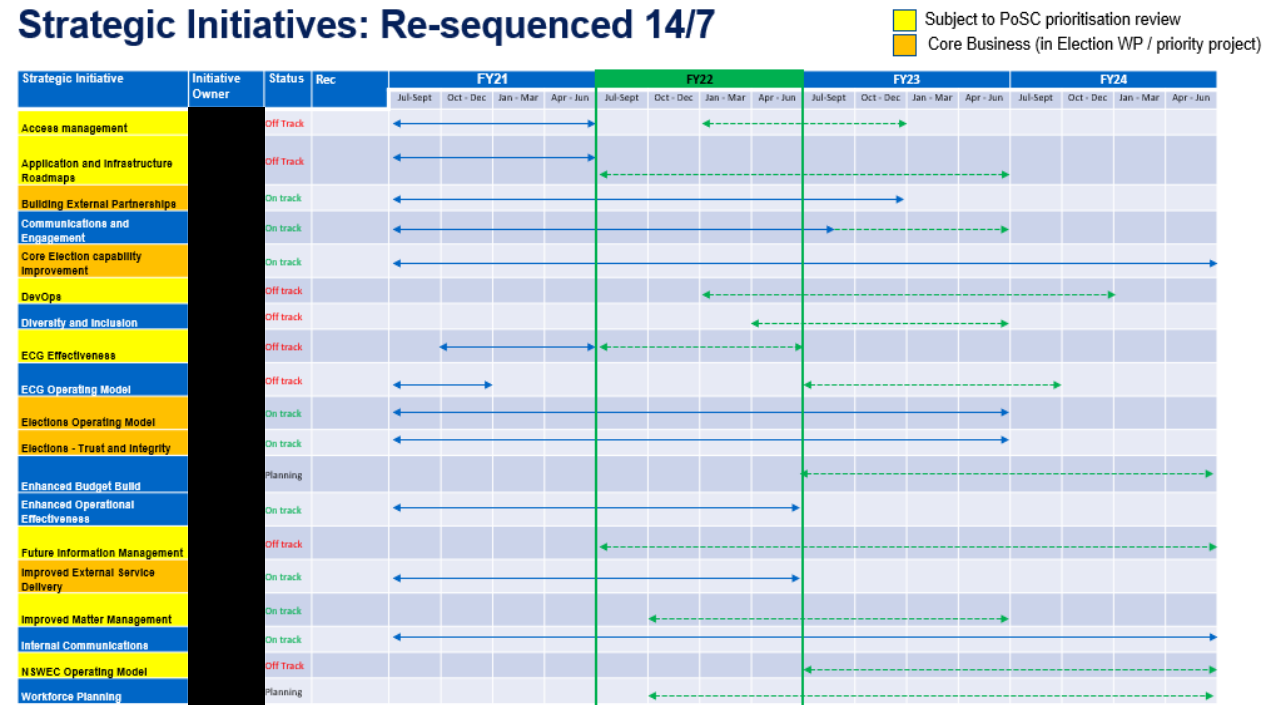
Of the 19 strategic initiatives:

Initiative Type	No.	Status
Core business	5	On track
Technology Systems related	3	Deferred to FY22 & beyond
Operational improvement	6	On track
Continuous improvement*	5	Deferred to FY22 & beyond

\*Continuous improvement initiatives that have been deferred:

- Future information management
- NSWEC Operating model
- ECG Effectiveness
- ECG Operating model
- Diversity and inclusion

## Strategic Initiatives: Re-sequenced 14/7



Source: ARC September'21 Strategy Update

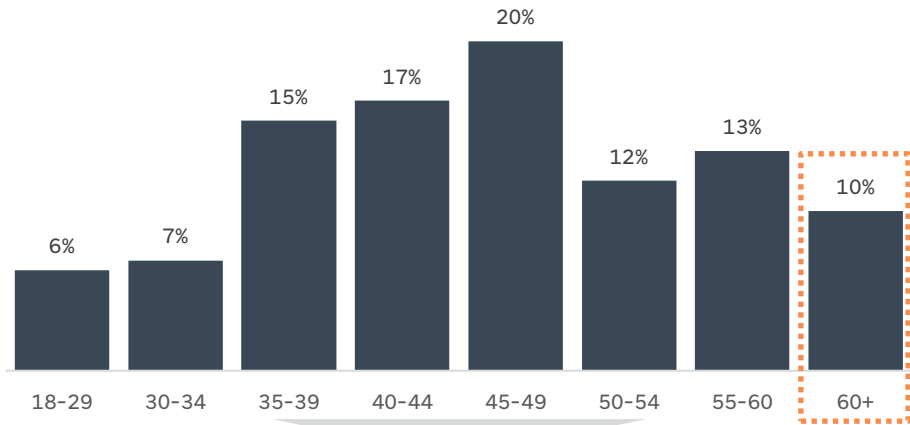
# Like most public sector agencies NSWEC has an ageing workforce

The maturity level of succession planning with the NSWEC is currently low. At the same time there is an ageing skew to the organisation, particularly at the senior levels and there is, given the organisational complexity and cycle time, a long lead time for new or promoted staff to become effective. Anecdotally, it is the view of senior leaders that for individuals that are new to the NSWEC, an apprenticeship of at least 1 to 2 full State Government election cycles (4 – 8 years) is required to build the capability to lead, operate and respond accordingly to the demands of the event.

The consequence is that without quick and then systematic attention to succession planning the organisation is at risk of losing critical election knowledge and experience. The urgency around succession planning was highlighted by the 2020 PMES survey which found that,

- 1 in 4 staff responded that they were currently looking, or thinking about looking, for a new role within the NSW public sector but outside of NSWEC, to broaden their experience and that 1 in 3 staff responded there are no major barriers preventing them from moving to another role.
- More than 1 in 4 staff (28%) think they will only continue to work in NSWEC for less than 2 years. This is a strong indication of the inevitable employee turnover than NSWEC faces and needs to prepare for, to minimize risks on business strategy, project related, and financial outcomes.

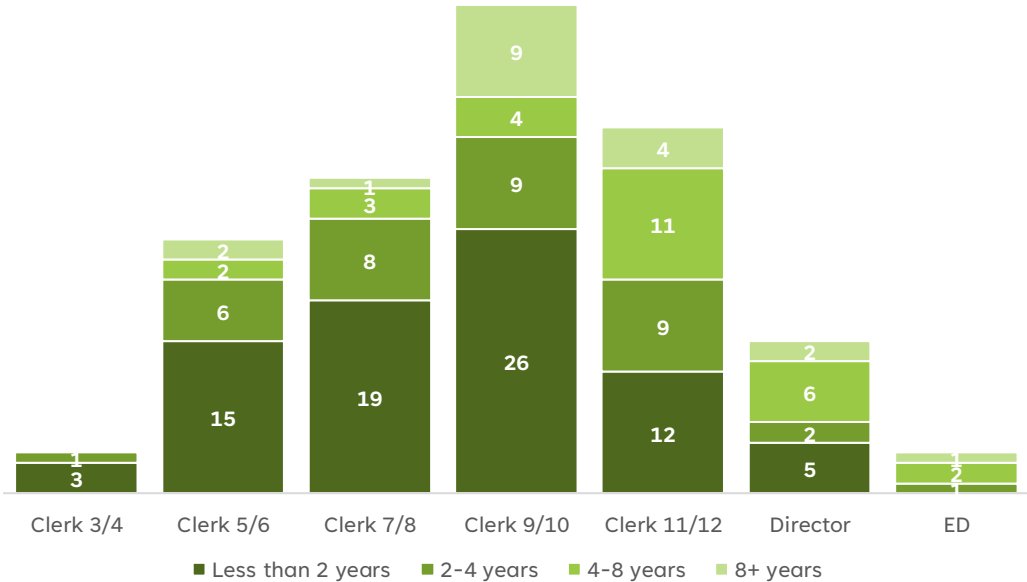
Age distribution of ongoing staff in FY22



Over 60 population deep dive, 11 ongoing and 5 temporary staff

Staff	Seniority	Commentary
4	Director	27% of Director population are over 60: <div></div>
3	Grade 11/12	1 each from Corporate, Elections and IS
9	Grade 9/10 and below	Majority are in Corporate with the remainder from Elections and FDC&GC

Tenure and work level of ongoing and temporary staff in FY22

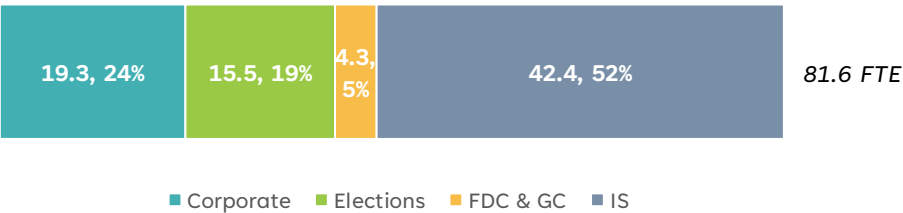


The data tells us that there is a very small pool of employees at the Clerk 11/12 level that have at least 4 years (or 1 election cycle) worth of experience at the NSWEC. This indicates that there is not the depth of succession required to place tenured staff into Director and ED roles in the coming years. This problem is then exacerbated by the likely retirement of up to 4 Directors (or 27% of the Director population) in the next 1 to 4 years

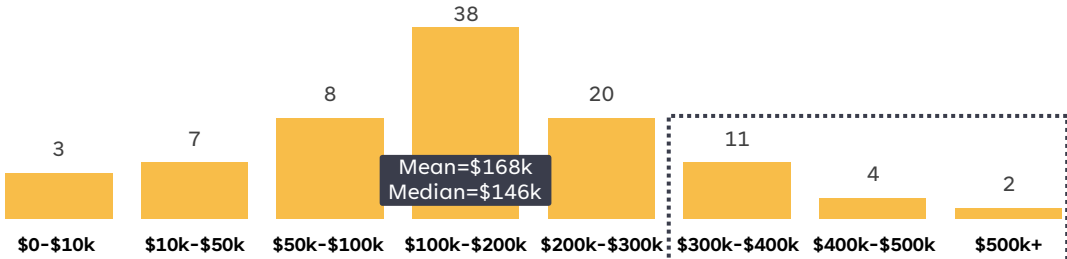
# The high-cost IS employment model is unsustainable, the transition out requires a break in election cycles

Contractors are a useful workforce pool to use in situations where the capability requirements are ‘hard to find’ or where there is an urgent but time bound requirement. Although NSWEC engages Contractors across all Divisions, IS has the heaviest reliance. The cost of IS contract roles in FY22 is \$12.4m across 42.4 FTE, or 52% of the overall contract FTE for NSWEC. The use of contractors is a standard, acceptable sector practice, however the long tenure of contractors (23% have more than 3 years of tenure) and 17 contract roles have a budget of more than \$300k, including 2 contracts roles that have a budget of \$500k+ compounds the fragility of the NSWEC workforce because of the mission critical roles the contractors hold. Needless to say, the current employment model used for the 17 IS contractors is unsustainable.

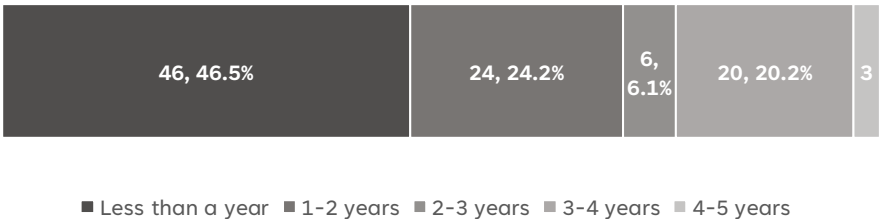
Contract role FTE within each Division



Contract roles within each budget range for FY22  
(n=81.6, 115 roles including vacancies)



Contractor tenure  
(99 staff headcount)



Note: Tracking of contract tenure commenced in 2018, some data gathered for this Plan indicates tenure of 10-15 years for some contract roles.

Deep dive into 17 contract roles budgeted at over \$300k

Division	Title	FTE	FY22 budget
IS	Developer Architect - Election Systems	0.75	
IS	CGI Developer	0.75	
IS	eGloo Developer	0.75	
IS	CGI Contractor	1	
IS	Application Solution Architect	1	
IS	Project Manager	1	
IS	Project Architect	1	
FDC&GC	Project Manager	1	
IS	Team Lead - Election Systems	0.75	
IS	Vendor Relationship Manager	1	
IS	Senior Solution Architect	1	
IS	Senior Solution Architect	1	
IS	Network Technician	0.83	
IS	Technical Business Analyst	1	
IS	Technical Business Analyst	1	
IS	SalesForce Architect/Developer	1	
IS	Analyst Developer	0.75	



# The current structure concentrates risk and creates challenge for effective managerial leadership

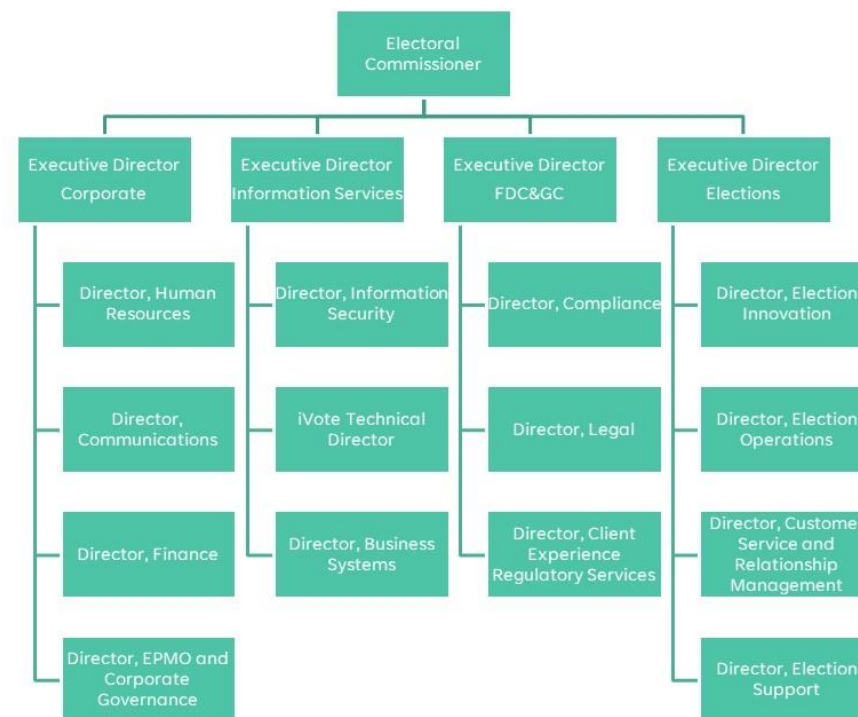
NSWEC delivers both a broad range of election services and a suite of services to political participants with the support of its four Divisions – Elections, Funding, Disclosure and Compliance and General Counsel (FDC and GC), Information Services and Corporate. Corporate is a relatively new Division within NSWEC and still building out its remit, service model and capability profile. Organisational reviews were conducted in both 2015 and 2018 and resulted in a suite of structural change recommendations some but not all of which were subsequently implemented.

## The current structure results in some sub-optimal outcomes

As with any organisation, NSWEC should review its structure on a regular basis to ensure it remains fit for purpose. In 2019 as part of the Workforce Review Bendelta recommended that the NSWEC review its structure to

- consider whether current Divisional boundaries and team groupings are the best constructs for ensuring:
  - strategic outcomes are optimised and
  - staff are able to collaborate, take accountability for their work and be agile in their contributions and their skill development.
- Identify opportunities to:
  - reduce duplicative effort (teams doing similar work but in different parts of the organisation and working in isolation) e.g. HR teams, Comms teams, business analytics, policy etc.
  - reduce the existence of siloes at a Divisional level and
  - review spans of control – whilst at the Executive and Senior Manager level spans of control are typically 1:4, at mid and lower management levels spans vary from 1:1 to 1:10 to 1:15+, making effective managerial leadership very difficult.
- Consider the workload and risk concentration implications of having
  - All Information Services activities (encompassing maintenance and operations of the myriad of legacy systems, day to day IS operations, IS transformation and the growing area of Information Security) under one Executive
  - The core operational mandate of the Commission (encompassing Local and State elections and by-elections for both jurisdictions) under the one Executive

*In the 2020 PMES less than 60% of staff reported good co-operation between teams across NSWEC. In addition, only 64% feel senior managers promote collaboration between their organization and other organizations they work with*



*PWC's 2020 Risk Culture Review reported that staff describe NSWEC as 'working in silos' to different goals and agendas, without clear understanding of roles and responsibilities between teams. Decisions are often made in isolation without considering the broader impact to NSWEC and enterprise risk. Poor visibility into other divisions means inability or poor understanding of who and when to consult, and interdependencies or hand-off points across division that are not always fully understood or delivered on causing potential gaps*

*Note: Since taking on the role in 2016, the Electoral Commissioner has requested of each successive Secretary of DPC that they commission a comprehensive (root & branch) review of the NSWEC, including systems, structure; processes; resourcing; funding model; strategy, planning and governance; stakeholders, customers and market; innovation, quality and improvement; and sustainability.*

# Capacity constraints are felt heavily in the running of the elections

## Context

The NSWEC is central to delivering democracy with integrity and fairness in New South Wales. This work combines planning and running elections, with our regulatory work in maintaining the integrity of our political landscape. It conducts, regulates, and reports on end-to-end general elections and by-elections for the Parliament of New South Wales.

The Covid-19 global pandemic has led to an unpredictable political landscape and a significantly delayed delivery of Local Government Elections held on 4 December 2021.

This has created resource challenges in the operating environment due to numerous and simultaneous State and Local by-election events triggered by the political environment and Covid-19 pandemic which present risk in:

- Work health and safety and fatigue management, excessive leave balances
- Sourcing and maintaining funding across all activities to deliver our legislative requirements
- Dealing with legacy systems and the need for ongoing technology infrastructure maintenance
- Organisational fragility: High reliance on contingent labour to deliver ongoing services and critical key person dependencies.

Fragility is felt heavily within the Elections division. The current team resources are insufficient to support the delivery of by-elections whilst also preparing and delivery scheduled large scale general elections (SG23 & LGE24) and various continuous improvement project related work. The stretching of resources to deliver operational imperatives means that there is little capacity to identify and implement election operation improvement initiatives or skill transfer and knowledge building strategies.

To counter this a specialised business case will be undertaken to increase the number of core Election roles to deliver election based events over the next few years. The objective of the specialised business case is to establish a special elections taskforce to support the overall Elections teams across the division to build a more robust resource pool with sufficient people to manage:

- Multiple election events in parallel
- Reduced reliance on key persons/SMEs
- Fatigue and leave management
- Effective and efficient responsiveness to deliver by-elections as they arise
- Continuous incremental improvements through project tasks and deliverables

The proposed full time temporary resourcing will supplement the existing teams across all teams in Elections Division through to LGE24 and will support the mitigation of risks identified above to ensure that critical election deliverables are managed and resourced sufficiently.

New and additional roles that are not currently funded.	12
---	----

As this request is for additional but temporary funding and roles, it is separate to the workforce planning submission, which focusses on securing ongoing LEC funding for the identified roles.



**The current funding  
model is unsupportive of  
a sustainable workforce  
model**

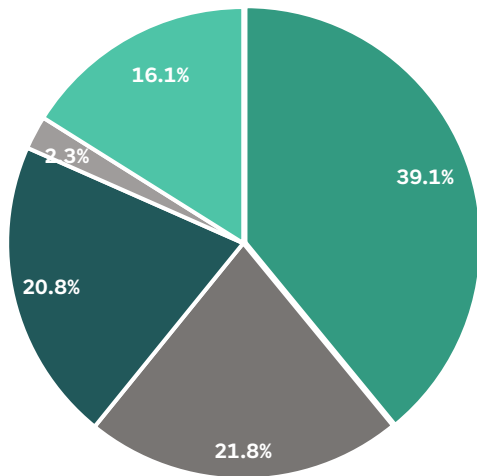
---

⑧ bendelta

# The sustainability of funding arrangements has decreased with the introduction of the WFP fund

The employment mix of the organisation varies over time in strict correlation with the availability of funding. Other than for LEC funding which accounts for 39.1% of NSWEC's total FTE workforce budget, all other funding sources are term based or temporary. In contrast the organisation has a base workload that is increasingly independent of specific events, and this core work is steadily growing. LEC constraints have resulted in an increasing proportion of staff being employed to do the core work of the organisation on non-ongoing employment terms. In 2020, the Workforce Planning Fund (WFP) fund was introduced, a temporary funding arrangement whereby a subset of roles that were not been awarded ongoing funding were allocated a 12-month extension of funding, that was then awarded once again in 2021. It is unclear as to whether or not this fund will continue into the future, making long-term workforce planning for the roles covered difficult.

*The FY22 budget caters for 275.1 position FTE. This includes, ongoing, temporary and contract roles.*



Funding source	Definition	Role type that would be funded from this source
LEC01	Focused on funding the suite of activities necessary to maintain and sustain NSWEC, is the only source of funding able to be allocated to the employment of ongoing staff. In addition it can be used to fund contractors who are temporarily filling a position on the organisation chart, assisting the Business Unit (BU) with an increase in Business As Usual (BAU) work for a short period or assisting the BU with BAU project development and rollout.	Ongoing
LGE	Can only be used for temporary and contractor staff who are engaged to work directly on the Local Government election. Given that the quantum of this funding varies significantly over the 3 year period between elections the majority of staff can only be employed for the 18 months before the election and the 3 months immediately after. It is important to note that each Local Council engages NSWEC independently and on a per election basis.	Temporary/Contract
PROJ	General projects. These projects are prioritised in the integrated NSWEC planning cycle and funds are typically requested via a business case. They require roles with specialist skills to conduct the work. Currently NSWEC have ~18 projects funded under this and each project has a defined start and stop date.	Temporary/Contract
SGE	Can only be used for temporary and contractor staff who are engaged to work directly on the State Government election. Given that the quantum of this funding varies significantly over the 4 year period between elections the majority of staff can only be employed for the 18 months before the election and the 3 months immediately after.	Temporary/Contract
WFP	Workforce planning temporary funding, is when recurrent funding for a role has not been approved but temporary funding relief has been granted (12 months).	Ongoing

Notes: Funded vacancies are included as they account for over \$5m. HR and Finance data has been consolidated but a small number of positions may not have been picked up in both reporting systems. FY22 budget as at October '21. Casuals, Board Members and the Commissioner have been excluded.



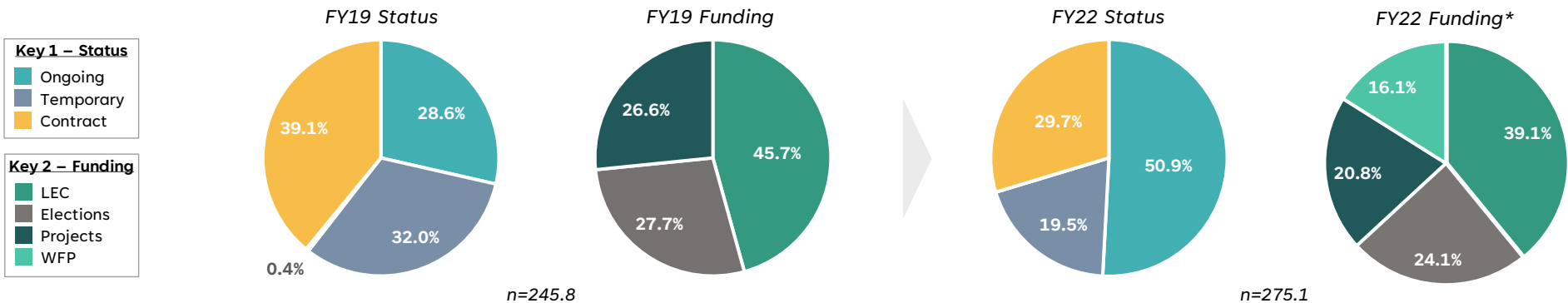
# The workforce profile of ongoing roles is misaligned to the ongoing funding pool

In response to funding decisions, the NSWEC has in the last 2 years, redesignated roles covered by WFP funding as ongoing, offering incumbents permanent roles, despite the lack of ongoing funding. This in effect, means that whilst the number of ongoing employees appears to have increased from 28.6% to 50.9%, the organisation’s ongoing funding only supports 39.1% of the workforce. Honouring the commitment of role permanency that has been made to staff will require the organisation to redirect funding from fixed term sources to cover ongoing expenses.

Based on business rules, the funding status of a role should dictate its role status and the employment status of the incumbent.

	Where will the role be funded from? For how long?	What status will the role hold? (How the role is advertised to attract candidates)	What employment status will an individual hold if appointed to this role?
In accordance with business rules	LEC: Ongoing	Ongoing	Ongoing
	PROJ: Project duration	Temporary/Contract	Temporary/Contractor
	SGE or LGE: Term based	Temporary/Contract	Contractor/Contractor

The number of roles with ongoing status has increased by 22.3% since 2019, however the overall benefit to workforce sustainability has been negated because the LEC funding pool has remained relatively unchanged



# The workforce profile of ongoing roles is misaligned to the ongoing funding pool (cont'd)

Examples of where business rules have not been followed or relaxed, and the resulting impact:

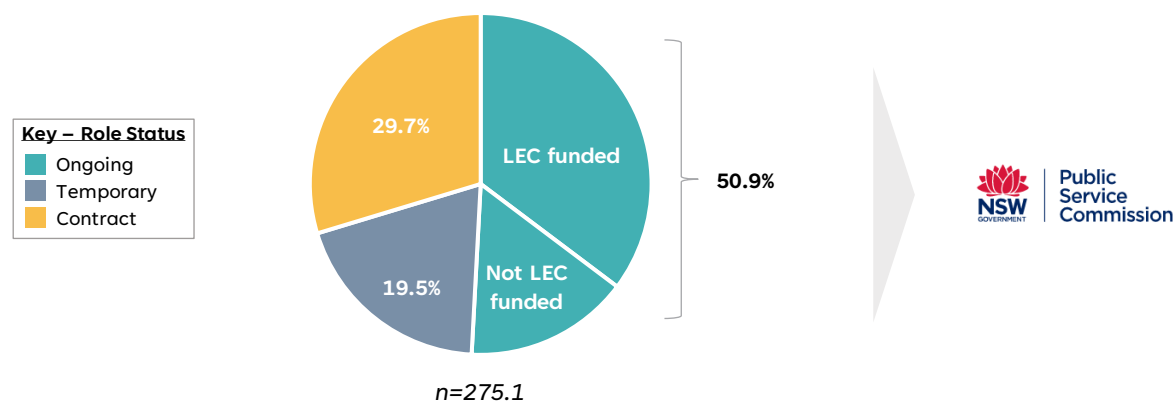
Where is the role funded from? For how long?	How the role is characterised in advertisements to attract candidates	What employment status will an individual hold if appointed to this role?	Frequency of the anomaly	The impact – Organisation	The impact on the incumbent
WFP (temporary)	Ongoing	Ongoing	Majority of cases	The organisation does not have the funding to meet its obligation of ongoing employment. The ability to attract and retain talent is diluted. There is also reputational risk to consider.	If the organisation ends the employment relationship based on the termination of a funding arrangement, the incumbent could potentially pursue legal action.
SGE/LGE (fixed based)	Ongoing	Ongoing	Minority of cases		
Project (fixed based)	Ongoing	Ongoing	Minority of cases		

# The NSWEC workforce profile is anomalous compared to the NSW PSC benchmark

The workforce profile of the NSWEC is a significant anomaly in comparison to the NSW Public Sector profile where “more than three-quarters (75.8%) of public sector employees in 2020 were ongoing employees. Temporary employees accounted for 16.9% of the public sector workforce, down 0.2pp from the previous year. These two categories account for more than nine in 10 public sector employees. Annual FTE for ongoing employees increased by 6,368 across the public sector in 2020. All services across the government sector experienced increases” (NSW annual workforce profile data 2020).

Even taking into account decisions made by the NSWEC to increase the proportion of ongoing staff to 50.9% without recourse to ongoing funding, NSWEC significantly lags NSW Public Sector benchmarks. If we were to purely look at funded ongoing roles (via LEC) then this lag becomes even more pronounced.

NSWEC workforce profile as per the FY22 budget (FTE)



Employment category benchmark, annual FTE, 2020

Category	FTE %	Change
Ongoing	75.8%	-.4pp since 2019
Temporary	16.9%	-.2pp since 2019
Casual	4.6%	+.6pp since 2019

# The Resourcing Plan

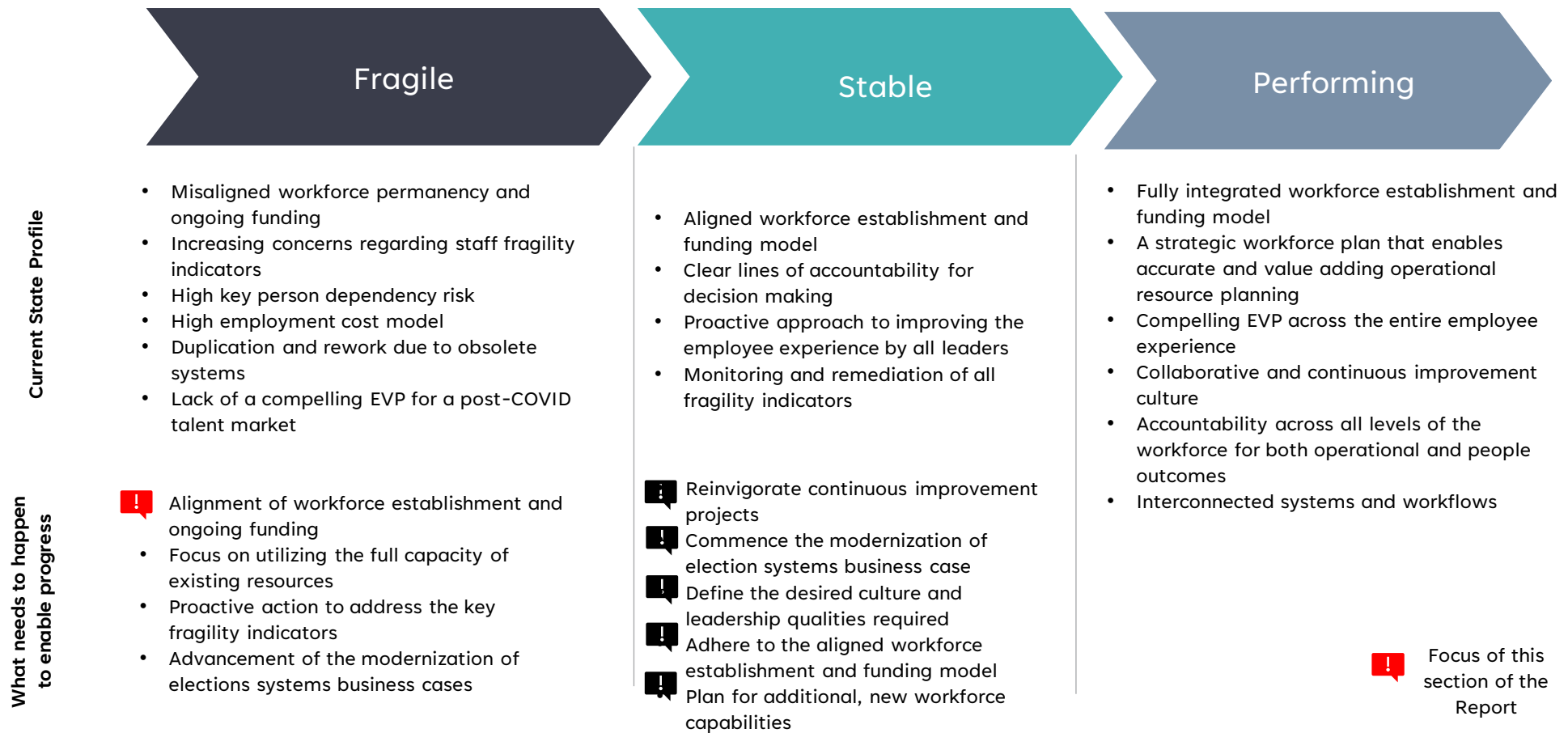
---

⑧ bendelta



# The focus of this Resourcing Plan is to move from ‘Fragile’ to ‘Stable’

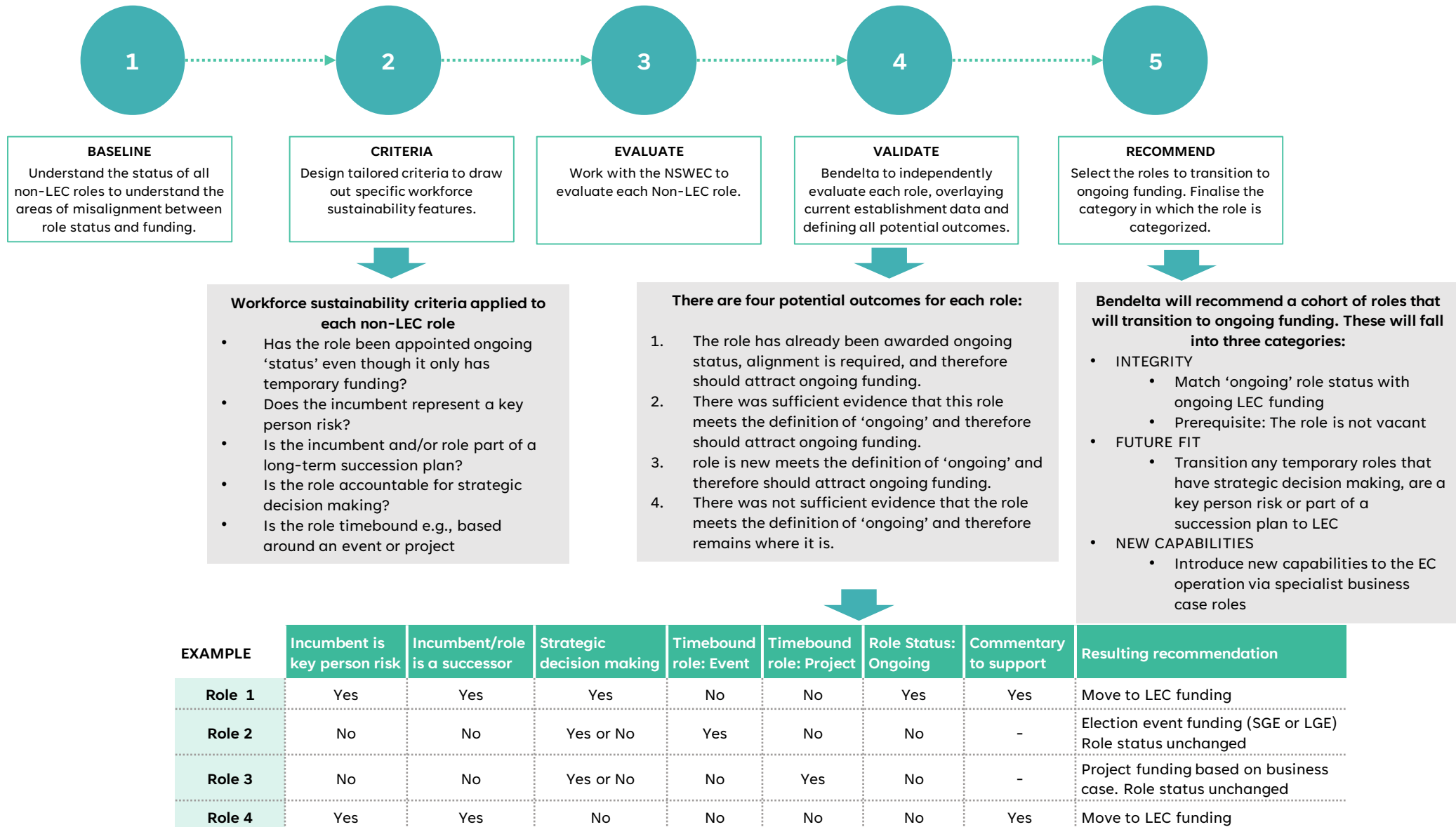
A sustainable workforce is one that can meet the demands of the organisation now and in the future. The NSWEC workforce continues to operate in a state of fragility, more specifically, despite the limitations of the funding, NSWEC has over the last 2 years, taken the decision to redesignate fixed terms roles to ongoing and to offer the incumbents permanent roles. This in effect, means that some ongoing roles are not funded with an ongoing commitment. At the core, the Resourcing plan is trying to ensure the integrity of the NSWEC is maintained; that there is alignment between workforce establishment and funding and the NSWEC commitment to ongoing role expenses can be met.



\*Key staff fragility indicators include (but not limited to) excessive annual leave balances, concerning trends in forfeited hours, WHS incidents

# The approach to aligning workforce establishment and funding

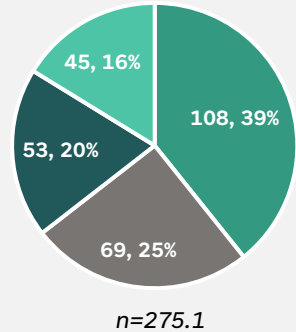
Role criteria that is designed around improving sustainability and logical phasing are the cornerstone elements to the **2022 resourcing plan approach**.



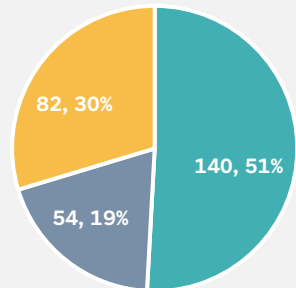
# Resource recommendation: Whole of NSWEC

## Current state, FY22

Position FTE funding

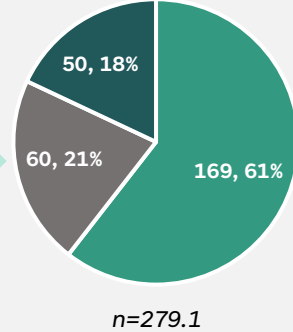


Position Status

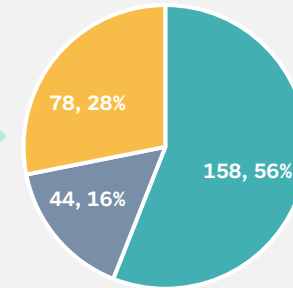


## Future state, FY25 onwards

Position FTE funding



Position Status



Increase in LEC funding for **60.9 FTE** (67 positions)

## Transition plan to LEC

### Category 1

48 roles, 72%

### Category 2

19 roles, 28%

### Category 1: Integrity

### Category 2: Future Fit

### Category 3: Specialist business case roles

Division	Roles		
Corporate	17	5	TBD
Elections	15	2	11
FDC&GC	4	2	TBD
IS	12	10	1

## Overarching recommendations for the NSWEC:

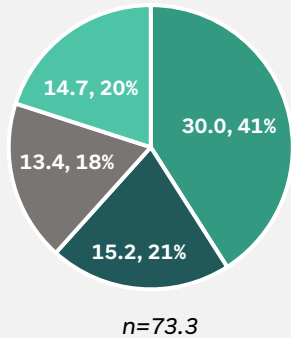
- 226 non-LEC roles (171.1 FTE) were reviewed as part of this process and 159 of these (70%) were deemed as appropriately funded from election or project sources
- We recommend the remaining 67 positions be moved into LEC funding and that all temporary and contract positions within this population are converted to ongoing as they transition
- Of the 67 positions:
  - 48 had ongoing status already, so they form part of phase 1 labelled “Integrity,” where promises of ongoing employment are honoured
  - 19 have been deemed as necessary to “Future Fit”, given their part in strategic decision making, key activities and succession
- We estimate that the additional LEC budget required to fund all 67 roles will be approximately \$11-\$12.5m



# Resource recommendation: Corporate

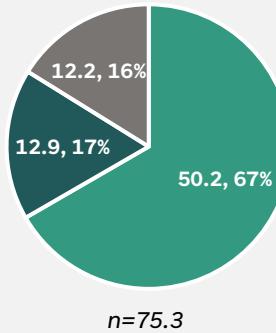
## Current state, FY22

Position FTE funding



## Future state, FY25 onwards

Position FTE funding



Increase in LEC funding for **20.2 FTE** (22 positions)

## Recommendations for Corporate:

- 55 non-LEC roles (45.3 FTE) were reviewed within Corporate and 33 of these (60%) were deemed as appropriately funded from election or project sources
- We recommend the remaining 22 positions be moved into LEC funding and that all temporary and contract positions within this population are converted to ongoing as they transition
- Of the 22 positions:
  - 17 had ongoing status already, so they form part of phase 1 labelled "Integrity," where promises of ongoing employment are honoured
  - 5 have been deemed as necessary to "Future Fit", given their part in strategic decision making, key activities and succession
- Employees with ongoing status will rise from 56% to 61% if all roles that are moved to LEC funding receive ongoing status
- We estimate that the additional LEC budget required to fund all 22 roles will be approximately \$2.9-\$3.2m
- Note there are 2 additional roles in the FY25 FTE as they were unfunded in FY22. This came from the ED assessment phase.

## Transition plan to LEC

### Category 1: Integrity

17 roles, 77%

### Category 2: Future Fit

5 roles, 23%

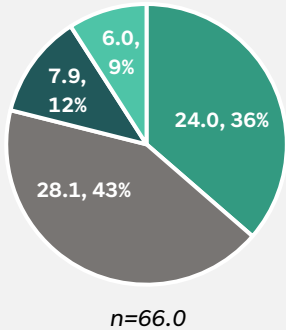
Position Number	Position Title	Current Status	Current Funding
	PMO Master Scheduler	Ongoing	PROJ
	PM Practice Lead	Ongoing	WFP
	EPMO Portfolio Manager	Ongoing	WFP
	Records & Information Manager	Ongoing	WFP
	Senior Manager, Human Resources	Ongoing	WFP
	Manager, Talent and Resourcing	Ongoing	WFP
	Manager, Safety	Ongoing	SGE
	Manager, Safety Projects	Ongoing	PROJ
	EPMO Governance Reporting Lead	Ongoing	WFP
	Project Accountant	Ongoing	LGE
	Project Accountant	Ongoing	WFP
	Systems Accountant	Ongoing	LGE
	Procurement Lead	Ongoing	WFP
	Talent and Resourcing Partner	Ongoing	WFP
	Senior HR Business Partner	Ongoing	WFP
	HR Coordinator	Ongoing	PROJ
	HR Coordinator	Ongoing	WFP
	Senior Portfolio Analyst	Temporary	WFP
	Digital Production Lead	Temporary	PROJ
	Safety Specialist	Ongoing	WFP
	Digital Communications Officer	Temporary	PROJ
	Governance Support Officer	Temporary	WFP



# Resource recommendation: Elections

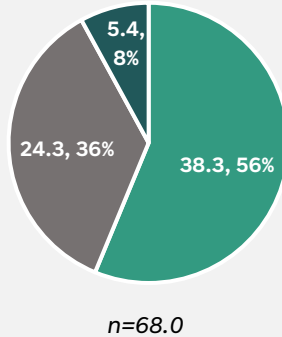
## Current state, FY22

Position FTE funding



## Future state, FY25 onwards

Position FTE funding



Increase in LEC funding for **14.3 FTE** (17 positions)

## Recommendations for Elections:

- 62 non-LEC roles (44 FTE) were reviewed within Elections and 45 of these (73%) were deemed as appropriately funded from election or project sources
- We recommend the remaining 17 positions be moved into LEC funding and that all temporary and contract positions within this population are converted to ongoing as they transition
- Of the 17 positions:
  - 15 had ongoing status already, so they form part of phase 1 labelled "Integrity," where promises of ongoing employment are honoured
  - 2 are in the future fit category
- Employees with ongoing status will rise from 53% to 55% if all roles that are moved to LEC funding receive ongoing status
- We estimate that the additional LEC budget required to fund all 17 roles will be approximately \$1.7-\$1.8m

## Transition plan to LEC

### Category 1: Integrity

### Category 2: Future fit

15 roles, 88%

2 roles, 12%

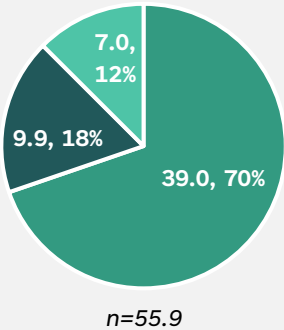
Position Number	Position Title	Current Status	Current Funding
	Director Election Innovation	Ongoing	PROJ
	iVote Manager	Ongoing	WFP
	Election Operations Practice Lead	Ongoing	WFP
	Non Attendance Team Lead	Ongoing	WFP
	Senior Logistics Analyst	Ongoing	WFP
	Nominations & Electoral Material Lead	Ongoing	WFP
	iVote Voting Lead	Ongoing	LGE
	Postal Voting Lead	Ongoing	LGE
	Manager Service Improvement (role upgrade)	Ongoing	LEC
	Logistics and Process Analyst	Ongoing	LGE
	Senior Data and Geospatial Analyst	Ongoing	PROJ
	Service Enablement Officer	Ongoing	PROJ
	Nominations and Electoral Material Support Officer	Ongoing	LGE
	Election Workforce Support Officer	Ongoing	LGE
	Data & Geospatial Analyst	Ongoing	PROJ
	Innovation Business Analyst	Ongoing	-
	Service Lead	Ongoing	-

Note: FTE is based on months of funding in FY22 budget. Casuals, Board Members and the Commissioner have been excluded. Funded vacancies are included. Position FTE with multiple funding sources in the FY22 budget, the primary funding source was used to allocation them into LEC, Projects, Elections of WFP. This impacted a very small number of roles overall (~25). PO00064 is iVote funded.

# Resource recommendation: FDC & GC

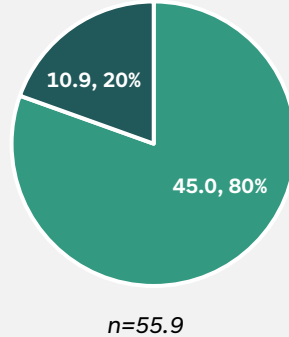
## Current state, FY22

Position FTE funding



## Future state, FY25 onwards

Position FTE funding



Increase in LEC funding for **6 FTE** (also 6 positions)

## Transition plan to LEC

### Category 1: Integrity

4 roles, 67%

### Category 2: Future Fit

2 roles, 33%

## Recommendations for FDC&GC:

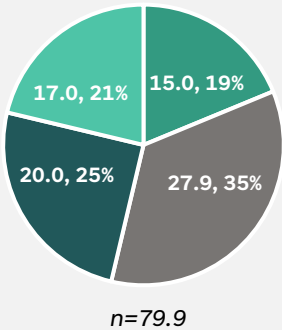
- 27 non-LEC roles (16.9 FTE) were reviewed within FDC&GC and 21 of these (78%) were deemed as appropriately funded from election or project sources
- We recommend the remaining 6 positions be moved into LEC funding and that all temporary and contract positions within this population are converted to ongoing as they transition
- Of the 6 positions:
  - 4 had ongoing status already, so they form part of phase 1 labelled "Integrity," where promises of ongoing employment are honoured
  - 2 have been deemed as necessary to "Future Fit", given their part in strategic decision making, key activities and succession
- Employees with ongoing status will rise from 71% to 75% if all roles that are moved to LEC funding receive ongoing status
- We estimate that the additional LEC budget required to fund all 6 roles will be approximately \$0.9m

Position Number	Position Title	Current Status	Current Funding
	Director Client Experience Regulatory Services	Ongoing	WFP
	Lead Guidance and Decisions	Ongoing	WFP
	Senior Investigator Team Leader	Ongoing	WFP
	Investigator	Ongoing	WFP
	Lead, Systems and Reporting	Temporary	WFP
	Manager Audit	Temporary	WFP

# Resource recommendation: IS

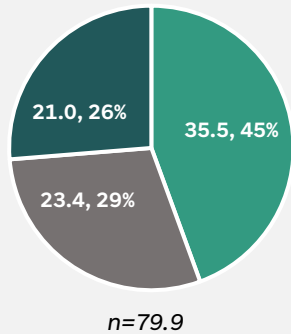
## Current state, FY22

Position FTE funding



## Future state, FY25 onwards

Position FTE funding



Increase in LEC funding for **20.5 FTE** (22 positions)

## Recommendations for IS:

- 79 non-LEC roles (64.9 FTE) were reviewed within IS and 57 of these (72%) were deemed as appropriately funded from election or project sources
- We recommend the remaining 22 positions be moved into LEC funding and that all temporary and contract positions within this population are converted to ongoing as they transition
- Of the 22 positions:
  - 12 had ongoing status already, so they form part of phase 1 labelled "Integrity," where promises of ongoing employment are honoured
  - 10 have been deemed as necessary to "Future Fit", given their part in strategic decision making, key activities and succession
- Employees with ongoing status will rise from 30% to 41% if all roles that are moved to LEC funding receive ongoing status
- We estimate that the additional LEC budget required to fund all 22 roles will be approximately \$5-6m

Note: FTE is based on months of funding in FY22 budget. Casuals, Board Members and the Commissioner have been excluded. Funded vacancies are included. Position FTE with multiple funding sources in the FY22 budget, the primary funding source was used to allocation them into LEC, Projects, Elections or WFP. This impacted a very small number of roles overall (~25). PO00065 is iVote funded.

## Transition plan to LEC

### Category 1: Integrity

12 roles, 55%

### Category 2: Future Fit

10 roles, 45%

Position Number	Position Title	Current Status	Current Funding
	Director Information Security	Ongoing	WFP
	iVote Technical Director	Ongoing	PROJ
	Test Manager	Ongoing	LGE
	Test Manager	Ongoing	WFP
	IT Security Analyst	Ongoing	WFP
	Analyst Information Security Ops	Ongoing	PROJ
	Business Analyst	Ongoing	WFP
	Business Analyst	Ongoing	WFP
	Application Administrator	Ongoing	WFP
	Application Administrator	Ongoing	WFP
	Application Administrator	Ongoing	WFP
	Service Desk Administrator	Ongoing	WFP
	Director ICT Infrastructure	Temporary	WFP
	Manager Information Security Ops	Temporary	WFP
	Server Infrastructure Engineer	Temporary	WFP
	Vendor Relationship Manager	Contract	PROJ
	Application Solution Architect	Contract	PROJ
	Developer - Election Systems	Contract	PROJ
	Developer Architect - Election Systems	Contract	LGE
	Team Lead - Election Systems	Contract	PROJ
	CGI Developer	Contract	LGE
	eGloo Developer	Contract	PROJ

# Recommendations

Recommendation	Description	Responsible	When
<b>Agree Resource Plan phasing</b>	For the NSWEC Executive team to review the Resourcing Plan and agree an appropriate phasing to each of the three categories.	Executive Team	December 2021
<b>Develop the Resource Business Case</b>	For the NSWEC Executive Director, Corporate to lead the development of a business case to be submitted to Treasury in February 2021. The objective of the business case will be to request the ongoing funding of the 67 roles detailed in this Plan.	ED, Corporate	February 2022
<b>Action plan to improve the employee experience and mitigate safety and wellbeing risks</b>	For the NSWEC Executive team to develop and implement an action plan to address the workforce management practices highlighted in this document. The action plan objective should be to enhance the overall NSWEC employee experience and manage the identified risks around wellbeing and safety.	Director, HR	December 2021 - June 2023
<b>Undertake a structural review to develop options, new roles and capabilities for the future</b>	Over the course of the next few years, the NSW Executive to undertake a full operational review of NSWEC's structure. The objective of the review will be to develop structural options for the future, including the identification of new roles and capabilities. This is a further piece of work to inform the third category and over a period (i.e. performing). This work should not preclude funding for the first 2 categories being realised/approved.	Director, HR	July 2022



Level 12, 2 Bligh Street, Sydney NSW 2000  
Ph: 02 9232 3401 | [www.bendelta.com](http://www.bendelta.com)

#bendelta