

29 June 2022

Mr Lee Evans MP
Chair
Joint Standing Committee on Electoral Matters
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

By Email: ElectoralMatters@parliament.nsw.gov.au

Dear Mr Evans

Thank you for your letter, dated 24 June 2022, on behalf of the Joint Standing Committee on Electoral Matters (JSCEM), seeking feedback on the allocation of funds for the NSW Electoral Commission (the Commission) in the 2022-23 Budget.

As the JSCEM is aware, the Commission made seven funding submissions to the Government for the 2022-23 Budget. These submissions were:

- Workforce Strategy and Staffing Structure
- State General Election 2023
- Special Elections Taskforce
- FD Online
- Election Campaign Funding
- Voting Centre Device Refresh
- Date Remediation – Planning years.

I am pleased to advise that each of these funding submissions was approved in full. Attached is a brief description of each submission, including the amounts sought and received in the 2022-23 Budget.

The Commission is now working with the central agencies to implement the Premier's new funding model for NSW integrity agencies. In this regard, my immediate priority is implementation of the Premier's proposal to re-baseline the Commission's ongoing funding requirements.

I anticipate that the outcome of this work will be a series of further funding submissions to Government, particularly in relation to workforce/staffing issues and systems modernisation. For example, funding for, and the structure of, the Commission's staffing arrangements need to be further examined to provide a solid foundation for the Commission's long-term operations. In

addition, the Commission's recent Budget submissions did not address the upgrading of its election (and other IT) systems, many of which are now well past their useful life. The Commission has been provided with funding to develop a 'Systems Modernisation' business case which will be submitted to Government in early 2023. The significance of this work cannot be understated in ensuring the ongoing integrity of NSW elections into the future.

Having in mind that there was only limited time during the recent budget process to implement the Premier's new funding model, engagement with the central agencies during this process was similar to previous years, with one notable exception, namely: Treasury's advice to the Expenditure Review Committee of Cabinet (ERC) on our funding submissions was made available to the Commission prior to the ERC meeting. The Commission was able to comment on this Treasury advice and provide clarification and/or further substantiation (if required). I understand that this Commission input was then provided to the ERC to inform its deliberations on our funding submissions.

Having in mind the significance of these funding matters in maintaining the Commission's capacity to deliver democratic processes in NSW, I appreciate the JSCEM's ongoing interest in this important issue.

Please do not hesitate to contact me if you require any further information regarding the above.

Yours sincerely



John Schmidt
Electoral Commissioner

Appendix: The NSW Electoral Commissions' submissions to the 2022-23 Budget and the Budget Outcome.

Title	Description	22-23 (\$m)	Total - 10 years (\$m)	2022-23 Budget Decision
1. Workforce Strategy and Staffing Structure	To increase the NSWEC's Labour Expense Cap (LEC) and seek funding for 60 identified positions to address its fragile staffing and develop a stable and sustainable staffing structure to ensure the delivery of the NSWEC's core functions and expanding remit in elections management, engagement oversight and regulatory services.	9.7	102.4	Approved
2. SGE23	The NSWEC is seeking urgent funding to bridge funding gap to conduct of SGE23 to be held in March 2023.	50.4	50.4	Approved
3. Special Elections Taskforce	Short-term increase in temporary workforce to meet compressed timeframes and competing demands for election staff resulting from the rescheduling of Local Government Elections (LGE20/21), imminent State Government Election (SGE23), and state and local government by-elections. Funding will sustain a temporary workforce with focus on the conduct of local government and state by-elections.	1.7	1.7	Approved
4. FD Online	Funding sought to complete the delivery of the Funding and Disclosure Online system for political parties, elected members and other electoral participants, following successful first release in June 2021.	Commercial in Confidence	Commercial in Confidence	Approved
5. Election Campaign Funding	Statutory appropriation under section 134 of the Electoral Funding Act 2018 (the Act) to provide the NSWEC with the legislated funding to pay claims made by political parties and	13.7	25.7	Approved

	<p>candidates under the Act's Election Campaign Fund in relation to State General Elections in 2023, 2027 and 2031.</p>			
<p>6.</p> <p>Voting Centre Devices Refresh</p>	<p>The submission requests the conversion of approved capital funding to opex funding to complete the Voting Centre Device Refresh project. The approved funding was \$10.3m in FY22. The planned reallocation proposed in the PTA excludes capital depreciation which is not applicable to opex funding.</p>	3.9	8.8	Approved
<p>7.</p> <p>Data Remediation – Planning Years</p>	<p>The NSW Electoral Commission is provided with a 10-year budget projection in PRIME (Treasury's IT system). Each year, the budget for Year 10 is recalculated by simply replicating the previous year in order to create a new 10-year budget projection. The issue for the Electoral Commission with this method is that we could be required to deliver a major election in that particular year (Year 10) and no budget has been provided or alternatively funds are provided and there is no major election event scheduled for that year. To address this issue, we work with Treasury to ensure that the 10-year budget reflects the election event cycle.</p> <p>This submission seeks to adjust our funding allocation in the last years of the 10-year budget projection (FY30-FY32). At present, the current 10-year budget allocation does not match the timing of major election events to be delivered by the NSW Electoral Commission.</p> <p>The submission aligns the long-term budget with the election cycle (LGE and SGE). The Commission will still need to make a separate submission to Treasury for additional funding to deliver major election events in the future.</p>	N/A	(13.9)	Approved