

IPART

Review of costs of conducting local government elections

Submission by

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Recommendations

The author commends the following recommendations for the inquiry's consideration.

1. Require all council elections to use NSWEC PRCC system (or its replacement) to capture and count Councillor and Mayoral elections and charge for its usage at the marginal cost of operation for all elections within a four year election cycle.
2. Upgrade PRCC to count Mayoral elections at the expense of the state not local government.
3. Require councils to offer electronic voting at all local government elections as supplement to in polling place paper voting method.
4. Allow NSWEC to offer iVote (or its replacement) to Local Government for all elections and charge for its usage at the marginal cost of operation.
5. A panel or expert auditors should be independently appointed to ensure that the ballot capture and counting systems used by the NSWEC and service providers are performing as expected. This cost of these auditors should be charged back to councils.

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1 Author Background

The author also has some 17 years' experience in the management of technology in the election process and has worked in the information technology area for over 30 years, with a particular emphasis on provision of technology within government agencies. He was responsible for the design and operation of the PRCC system and iVote.

He is currently consultant and adjunct academic at the UNSW Faculty of Engineering school of Computer Science and Engineering with a practice and research focus in the area of cybersecurity and governance.

2 Background

The information paper accurately identified that there is a need to address the way local government election are run before the new legislative changes related to count back and use of Weighted Gregory proportional representation count method come into effect. To understand the current situation there is a need to look at how we got here.

My first Local Government (LG) election was in 2004. This was a difficult election as the SEO (the name used for the NSWEC at the time) had few staff and had just lost its Commissioner to cancer. All elections were run by the SEO but the process of running them differed from today in that many of the Returning Officers (Ros) were known to the council and knew how the council wanted to run their election the SEO just provided support and paid the bills. The Councils were then charged back for this service. This arrangement varied quite a bit from council to council. In short it was a mess and councils thought the SEO charges were excessive. It should be noted 2004 election suffered from nepotism and the application of funds varied significantly from to council. It is highly possible some corruption occurred due to the poor financial controls used.

In 2008 many councils protested about the cost of running elections and many councillors used the issue as an opportunity to be noticed and get media coverage. The NSWEC was very poorly treated by the media and although the election was run much better than 2004 the NSWEC was blamed for perceived high costs to councils. The truth be known most of the council complaints related to the improved control the NSWEC applied to election expenditure and the reduction in nepotism accompanying these new approaches. This was never mentioned in the media.

One of the key learnings from the 2008 election was they manual counting does not work anymore (if it ever did). Many of the smaller regional councils were counted manually with the support of the NSWEC. This support process identified many errors and require NSWEC experienced staff being flown to help ROs do their manual counts. It was clear that entering ballots into a computer was much more reliable and quicker than manual counting councillor ballot papers.

As a result of the 2008 issues identified by councils the incoming Liberal government promised to allow councils to run their own election (similar to back in the 1980s when corruption was alleged to be rife). This change meant councils could choose between the NSWEC or themselves to run their 2012 election. Most choose the NSWEC, even those who had violently objected to NSWEC costs at the 2008 election. The NSWEC used their new PRCC system to count all the councillor elections and

allowed regional councils to enter their ballots at remote sites within their region. This was a great success. All of sudden many councils were very supportive of the NSWEC and did not want to run their own election.

Some councils however ran their own election with most selecting the Australian Election Company to be their service provider. The NSWEC initially had concerns about this approach but cooperated with councils and made it work. The 2012 election was a success with nearly all the councils who went with the Commission praising it and many of the ones that didn't wishing they had.

The councils that used the Australian Election Company as a service provider relied on them in the same way they had the NSWEC and this caused great confusion because the General Manager was in fact the responsible person not the Commissioner. Many of the General Managers were not comfortable with being responsible for the election and privately confided in the NSWEC staff of their discomfort but said they were being forced by Councillors to follow this approach. Some even left their councils over this issue.

The appointment of ROs at the 2012 election was also a tricky issue for councils running their own election. Several councils had ROs resign soon after appointment because the RO realised, they had significant personal liabilities with relatively low remuneration. In most cases the ROs had been selected by the service providing company but appointed by the Council. This meant they technically reported to the General Manager of the Council but found themselves taking orders on a daily basis from the service provider and being responsible for the outcome! Not a good arrangement for the RO.

The Australian Election Company did a reasonable job of running the elections in which they were involved. The key service they provided was the software to run the councillor count. This software appeared to work properly but unfortunately; they did not provide a preference data file (as the NSWEC did) to allow the results to be checked. This is a significant integrity and transparency issue. It should be noted that the fault in the NSWEC's PRCC system was only found post 2012 by academics comparing their results using their own system using the data with NSWEC results and identifying a discrepancy.

Councils like Sutherland, Lane Cove and Gunnedah ran the election using internal resources and also did the count themselves manually. Sutherland used spreadsheets and seemed to know what they were doing but were very reluctant to provide a full set of count sheets on their website. It took the intervention of the local member before this was provided. Lane Cove used an manual count system to assist them in the count and appeared to do the job well. Gunnedah made a hash of the count and had to recount when it was discovered they had made a mistake in the manual count process. I personally had little confidence in the final result.

The final presentation of results for posterity was achieved by the NSWEC staff chasing up these councils to obtain result data which could be put on the NSWEC past results website. If this had not been done the council's results would be lost as their websites evolved. Councils do care about election results and tend not to keep results on their websites much after the election is over. This is evident from the lack of available results from recent council elections which are now only linked by the NSWEC (not published on the NSWEC website) and the link is now broken! It is important that results are kept by the NSWEC for future reference by academics and other interested parties.

It was not a surprise to me to see that many of the councils who ran their own elections in 2012 have subsequently engaged the NSWEC to run their elections in from 2016 forward.

3 Counting Votes

The current and proposed future vote counting process for councillor election is very very complex. The NSWEC spent over \$2M to develop PRCC which captures and counts LG and Legislative Council elections. This system was subsequently upgraded for 2015 election to capture and count Legislative Assembly elections (which are very similar to Mayoral elections). The use of PRCC for these elections significantly improved the reliability of the election process and results.

PRCC is run in an environment which is independent of the councils. The system has been externally audited and supports cross checking of input data which has been done by internal staff. It also produces a data file of all ballot preferences keyed to allow independent checking of distribution of preferences results. It would be very difficult for any private provider to reproduce a system like PRCC.

Notwithstanding the effort put into managing the PRCC system by the NSWEC partisan scrutineers are not able to effectively audit and confirm the systems operation due to its complexity. This is a process which needs specialist expertise. Overseas experience is to use independently appointed auditors to undertake this task and report to scrutineers and the parliamentary review committee.

4 Remote Electronic Voting

LG elections intrinsically do not have absent voting or interstate and overseas voting centres. This contributes to these elections lower turnout compared to state elections. Postal voting is becoming less effective as a voting channel with the general demise of the postal service. It would reasonably be expected that postal voting will not be a viable channel in one or two election cycles.

If the government is not willing to accept the continued reduction in participation at LG elections then the only option is to implement remote electronic voting at LG elections. iVote is the most acceptable option for implementing remote electronic voting. It would be imprudent to allow the implementation of a system which does not meet the standards achieved by iVote. The development of iVote is a sunk cost for state elections so the operation of the system for local government should be charged at the marginal average cost for its operation at elections within an election cycle.