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Local government election cost review

Independent Pricing and Regulatory Tribunal

PO Box K35

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NSW 1240

IPART Review of local government election costs

Draft Report

2.3.1

We have previously reported to the review in the following terms:

“The proprietary count software used by Australian Election Company to compliantly derive Councillor election outcomes for the 2012, 2016, and 2017 NSW Council elections, as well as for the May 2018 Penrith By-election, was accredited/certified by Deloitte.

Australian Election Company stringently complies with the Act and the Regulation and if contracted to manage, conduct and deliver outsourced NSW Council elections at the 2020 round of elections, we will compliantly apply the revised Regulations, through modifying our proprietary count software. The revised software will be appropriately tested and be accredited/certified”.

It is worthy of note that the variations required to our proprietary count software do not amount to rocket science, as apparently perceived or suggested by some Councils and stakeholders; however, the variations, and particularly their accreditation, clearly do represent an additional expense/cost, in the whole equation of election costs. It would be advantageous, if cost effective licensing arrangements could be negotiated with the New South Wales Electoral Commission, to utilise their revised, fully and professionally accredited count software, once the revised software has been tested and accredited. Licensing arrangements for utilising the software developed by the New South Wales Electoral Commission would help to defray the Commission’s development/accreditation costs and would also provide external developers/contractors with a methodology which was entirely consistent with the Commission’s.

3.2.2

Ernst Young apparently consider that the administration and management of NSW State Elections is more complex, comparatively, than that of NSW Local Government Elections. On the contrary, NSW Local Government Elections are conducted under a complex regulatory regime; the elections tend to be highly politicized; and typically, there are large numbers of candidates contesting mayoral and (multiple) ward-based elections (some wards may have over a 100 candidates). Indeed, NSW Local Government Elections are arguably the most complex group of public elections conducted within Australia.

6.3.1

The proposed “menu” philosophy might be more relevant when (and if) direct postal voting and internet voting replace attendance voting, as being part and parcel of NSW Local Government Elections. As matters and processes stand, project interdependencies and a historical “mixed bag” of success in relying on supplier contractors to undertake certain technical aspects of electoral operations functions, tends to mitigate against perceived benefits. This is not to suggest that certain administrative or discreet aspects of the election process might not be appropriately “outsourced” to suppliers/contractors. However, plainly, it is simpler, potentially less risk averse and more convenient, to utilize a proficient, trusted, professional provider, rather than to try to introduce and manage a number of players into the one game, and the players may not demonstrably share or comprehend the need for absolute integrity, accuracy and compliance.

6.3.3

The proposed reduction to 9 months would be rather more appropriate; however, we believe there is sufficient scope, and safety, to further reduce the determination period to 6 months.

In the past, given tender requirements, tender evaluation considerations and subsequently the scheduling of Council meetings, in reality, instead of the mandated 18 months period, we have had to provide our estimated costings up to two (2) years in advance of a scheduled election. This has been and remains an unreasonable burden and requirement.

Table B.1

Just an observation regarding listed costs (historic, projected, and recommended) for smaller, rural councils included in Table B.1. The costs included would have to reflect “shared” or (heavily) subsidized costs.

In consideration of any calculation of costs for management of a stand-alone attendance voting - based election for a “small” council, with a full time Returning Officer, even the IPART recommended minimum costs would be exceeded. Frankly, it would be inconceivable for any such election to be conducted under about \$55,000 ex GST. The application of direct postal voting and/or remote internet voting would provide some moderation of election costs, for smaller, rural councils.

Timetabling

We understand the IPART Report is to be tabled with the NSW government by 31 August 2019. Presumably the Report will be considered by the government during September 2019; however, Councils under (the amended) s 296AA (5) of the LGA, have to make their resolution to plan for administration of the 2020 elections by 1 October, 2019. Clearly, any councils that have not already made their determinations will have very limited time for consideration. We had understood, that initially, when the IPART review into election costs was conceived, that the requirement for

determinations had been postponed until February 2020. Obviously, February 2020 would provide adequate opportunity for councils' consideration. And if a council has already made its determination prior to the (then) March 2019 mandated deadline, especially in the light of IPART review recommendations and ultimate outcomes, the status of those already made determinations may become topical.

Richard Kidd

Australian Election Company