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Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop NSW 1240

**Subject:** Submission - Review of local government election costs

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Forbes Shire Council (Council) is pleased to provide this submission to IPART's draft report *Review of local government election costs*.

Forbes is situated in the heart of the Lachlan Valley in the Central West of New South Wales, approximately 390km west of Sydney. The Forbes Local Government Area (LGA) covers 4,718km<sup>2</sup> and has a population of 9,759 people, with approximately 1,600 people living outside the Forbes urban area. The LGA includes the village areas of Bedgerabong, Wirrinya, Corinella, Garema, Warroo and Ootha - all village centres are located within an approximate 50km radius of Forbes, with the exception of Ootha, which is located 70km to the west. The main industries for employment in the LGA are agriculture, health care, retail, education and training, light industry and accommodation. Council is one of the biggest employers with staff numbers of 140 full time equivalent.

### **General Comment:**

Council is pleased to note that IPART is undertaking a review of local government election costs and welcomes the opportunity to provide commentary.

### **Specific Comments:**

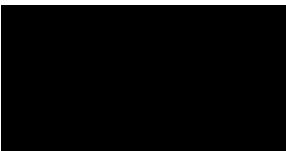
Council would like to make the following specific comments on the draft report.

1. The recommendations in the draft report (which would result in significant cost increases for councils) do not meet the Terms of Reference provided by the Premier to IPART, which specify that the purpose of the review is to *minimise* the financial burden on councils and ratepayers.
2. Councils in NSW operate in a constrained financial environment as a result of rate-pegging, cost shifting onto local government and state and federal funding arrangements that are no longer fit for purpose. The draft report notes under the new approach the NSWEC's total costs would be lower, however, on average, the increase in council bills would be around 62% compared to 2016-17. The draft report notes that despite these substantial increases, the expected fiscal impact on ratepayers would be modest as election costs account for a small proportion of councils' total costs. The draft report notes this increase to Forbes will be 63% or \$36,000; now whilst this might seem a paltry amount, for Forbes that \$36,000 is half of the per annum wage of an administration officer or 36km of grading on unsealed rural roads, noting Council's unsealed rural road network comprises 1,065kms. This review further contributes to, and reinforces, the paradigm that cost-shifting to councils is part of the solution, whilst in reality councils' constrained financial environment means a reduction in delivery of others services and functions.

3. The draft report recommends that councils pay higher costs, in part, to encourage more private providers to enter the market. It is inappropriate for councils to bear the costs of remedying a near monopoly market that is the result of NSW Government policy and legislative settings. It is especially inappropriate for increased costs to be proposed for 2020 when the 'unbundling' which is intended to spur competition and lower costs would not come into effect until the 2024 elections.
4. There are equity issues with the proposed model that will see those least able to pay (and particularly small and rural councils) hit with the largest cost per elector. Elections and democracy are a fundamental public good that should not be more expensive for some ratepayers than others.
5. Significant fine revenue for non-voting in local government elections should be used to offset the costs of local government elections, rather than paid into the NSW Government's consolidated revenue fund.
6. At its core, the purpose of this review is to identify efficient and cost-effective ways to provide election services, which minimise the financial burden on councils and ratepayers. The draft report notes that election staffing is the largest component of the NSWEC's operating costs for conducting local government elections, and that NSWEC projects costs for election staffing in LGE 2020 to increase by 61% (+8.8m) in nominal terms compared to LGE 2016-17 base costs. Key to addressing staffing costs is a pathway for the introduction of on-line, electronic and universal postal voting. It is disappointing the draft report has given no real consideration to innovation and technological progress as a means of gaining efficiencies, other than to note that "...in the future councils may opt to conduct elections... or may wish to pursue..." these alternatives to the paper-based, labour-intensive system.
7. Council would like to see a mechanism for councils to vary the service levels, which are currently largely determined by the NSWEC. For example, it is important to rural councils that voting centres and pre-polling opportunities be available throughout the electorate without the burden of travel to the urban centre.

In closing, Council is pleased see attention directed to this issue and welcomes any initiative that provides a better service delivered from NSWEC. Thank you for the opportunity to provide this submission and Council looks forward to reviewing the final report.

Yours faithfully



Steve Loane  
**GENERAL MANAGER**