



19 July 2019

By Online Submission

IPART
Review of local government election costs

We refer to IPART's draft report in respect of the review of local government election costs.

We have the following comments:

1. We understand the desire of the NSW Government to better understand the cost of the services delivered by the NSW Electoral Commission (**NSWEC**) and to ensure that councils pay for the efficient cost of the services. This is not dissimilar to the task facing a council in determining its service offering (including levels of service) and the willingness of their ratepayers to fund this.
2. The approach to unbundling the NSWEC's service offering is a sensible one and will provide, in our view, a framework to foster real competition in the sector and encourage the NSWEC to provide its election services in an efficient and cost-effective way.
3. We do not consider that the funding hierarchy suggested by IPART appropriately allocates the efficient cost of the NSWEC providing election services between the NSW Government and councils. In our view, IPART's approach has no regard for the economic realities facing rural and regional councils like Moree Plains Shire Council. Unlike other services delivered by local government where varying service levels can be costed and the community can effectively choose the level of service for which they are willing to pay, there is very limited ability to negotiate the delivery of local government elections as a service per se. It simply must be done. While there are measures that can be implemented to reduce some costs (which Council is committed to explore; see our comments in this respect below), we feel that much of the service offering (and the costs that flow therefrom) is not negotiable.

Thus to apply a strictly commercial methodology to the costs to be passed onto a council shows a complete disregard for the greater purpose of the local government elections and amounts to further cost shifting from the NSW Government. At a time when local government budgets are already stretched, this seems exceptionally out of touch.

4. Under IPART's methodology, Moree Plains Shire Council's election costs would increase by over 50%. When considering the application of the rate peg to revenue sources over the 4 year period that will elapse between elections, the magnitude of the increase is substantial, will be challenging to fund and will have a real impact on service delivery of Moree Plains Shire Council. IPART's report notes that election costs are recovered over a 4 year period; with elections next year, there is very little ability to spread the new costs for the 2020 elections so the impact on the current and next financial years' budget would be considerable. Any new methodology for costing local government elections (if any is so approved by the NSW Government) should apply to the next local government elections in 2024 to allow councils to absorb changes over a 4 year period.

5. The NSW Government's Fit for the Future reform process required councils to have real reflection as to their long-term sustainability. Imposition of these substantial additional costs upon councils so close to the local government elections seems inconsistent with the initiatives of that reform agenda.
6. As a rural council, running elections is not an area that we feel could be diligently carried out in-house. We also consider there are many better uses of the time of our staff so contracting out the risk associated with local government elections to the NSWEC is an attractive and sensible approach.
7. We also question whether the profit margin would be sufficient to attract a reliable private provider for a rural council, particularly in view of IPART's acknowledgement that the real cost of local government elections will increase more significantly for rural councils if a strictly cost-recovery methodology is adopted.
8. We agree that the new WIGM-compliant counting software creates a real barrier to entry into the market for councils seeking to undertake elections themselves and third party competitors.
9. Council has already canvassed some ways the costs of local government elections run by the NSWEC may be reduced in anticipation of the 2020 election (for example, reducing pre-polling times and the number of booths in the Shire).

Please do not hesitate to contact us if you have any questions.

Yours faithfully

Lester Rodgers
GENERAL MANAGER