

17 July 2019

Dr Peter Boxall AO
Chair
Independent Pricing and Regulatory Tribunal
PO BOX K35
HAYMARKET POST SHOP NSW 1240

Dear Dr Boxall

Draft IPART Report: Review of Local Government Election Costs

Thank you for the opportunity to comment on IPART's draft report that forms part of its review of local government election costs. Council provides the following submission which targets our primary concern being the proposed increase in costs to local councils that intend to use the services of the NSW Electoral Commission for the 2020 election.

Local Government elections in NSW are generally held every four years, on the second Saturday in September. The next election is scheduled for September 2020.

In conducting elections, Councils are required by Part 6 of the Local Government Act 1993 to use one of the following options:

- Appoint the NSW Electoral Commission to administer the election; or
- The Council's General Manager administer the election. Under this option, the General Manager may appoint a commercial electoral service provider to assist in the conduct of the election

Canterbury Bankstown Council was formed following the amalgamation of the former Canterbury and Bankstown Councils in May 2016. The Council has held one election since amalgamation, and this election was administered by the NSW Electoral Commission. The former Bankstown and Canterbury Councils had used the services of the NSW Electoral Commission to conduct their elections. The Councils were generally satisfied with the performance of the Commission in conducting the elections.

The Premier of NSW Gladys Berejiklian MP in providing the terms of reference to IPART of the review of local government election costs, stated:

*The purpose of the IPART's review is to ensure a robust methodology for determining costs is applied, **in order to minimise the financial burden on councils and ratepayers** and ensure local government elections are conducted efficiently and cost effectively.*

Council contends that the draft IPART report does not meet the Premier's requirement that the financial burden on Council's and ratepayers is minimised.

Of particular significance is the recommendation that those Council's opting to use the NSW Electoral Commission to run their 2020 election would bear a larger proportion of the total election costs (97%). In 2016/17, NSW Councils contribution to NSW Election Commission total costs was 89%. Under the cost methodology proposed by IPART, NSW Councils would pay on average 62% more than what they did for their 2016/2017 elections. The net effect of IPART's proposal therefore is to reduce the costs of NSW Electoral Commission and the State Government, and increase costs for local government.

Canterbury Bankstown Council's 2017 election cost was \$1.447M. When extrapolated, Council's estimated election cost for the forthcoming election (2020) based on the IPART costing model, would increase to \$2.316M, an increase of \$0.869M. This would mean that Council would need to cut its funding for services and capital works by this amount in order to balance its budget.


IPART's recommendation, if supported by the NSW Government would have a significant, detrimental impact on Council's ability to fund its services to its ratepayers and represent yet another example of cost shifting from other tiers of government to local government. Councils have been subjected to cost shifting from other levels of government for a number of years which has significantly reduced their capacity to maintain and renew infrastructure and provided much needed services to their communities. Local Government NSW has estimated that cost shifting costs local government at least \$820 million per annum. For our Council, Local Government NSW estimates that cost shifting amounts to 14% of Council's total income. Examples of cost shifting include:

- 21% increase in the Emergency Services Levy from 1 July 2019 without any consultation with local government.
- The NSW Government's waste levy.
- Shortfalls in public library funding and pensioner rate rebates.

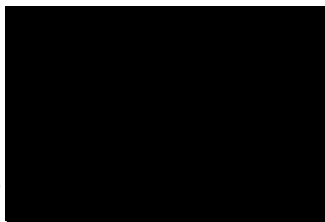
- The cost of managing regulatory burdens such as the operation of Local Planning Panels, enforcement of companion animal regulations, and the management of contaminated land, noxious weeds and flood controls.
- Transfer of costs and responsibilities for Crown lands and Crown roads.

Council's capacity to provide services to its community has been further eroded by rate pegging and reduced grant funding from Federal and State governments. Therefore, Council strongly opposes the proposal to increase election costs for the 2020 election for NSW Councils who choose to utilise the services of the NSW Electoral Commission.

Council notes that the draft IPART report also seeks to introduce reforms that encourage greater competition from private election service providers, and give councils more choice in election services, such as making it mandatory for the NSW Electoral Commission to 'unbundle' each of its individual election services and provide councils with binding individual quotes for each of these services. However, Councils will not receive the benefit of these reforms until the 2024 election. Therefore Council strongly recommends that the increased costs proposed for Councils for the 2020 election be deferred for consideration at the 2024 election and considered in conjunction with the proposed benefits from increased competition and unbundling costs.

Thank you for the opportunity to make a submission on this matter. Should you require further information, please contact our Director Corporate, Ken Manoski on 

Yours Sincerely



Matthew Stewart
GENERAL MANAGER