

Local Government Election Cost Review  
Independent Pricing and Regulatory Tribunal  
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By Email: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

<b>Your Reference</b>	F2018/03756
<b>Contact</b>	Lisa Oldridge
<b>Telephone</b>	
<b>Email</b>	

18 July 2019

Dear Sir/Madam

### **Review of Costs of Conducting Local Government Elections**

I refer to the recent review by the Independent Pricing and Regulatory Tribunal (IPART) of the costs of conducting Local Government Elections in NSW.

The City of Parramatta Council (CoPC) would like to take this opportunity to make a formal submission in response to the review as follows:

1. IPART's report proposes that Councils would pay a larger proportion of the costs incurred for the administration of the Local Government Elections (LG Elections). It is noted that Councils were charged 89% of the costs for the administration of the 2017 LG Elections and it is proposed by IPART that a larger proportion would be transferred to Councils in the order of 97%.

The methodology provided by IPART is one that considers an impactor pays funding hierarchy, whereby:

- (a) In the first instance, the impactor that has created the cost should pay for the cost of the service
- (b) If this is not possible, the beneficiary that receives the service should pay for the cost of the service
- (c) If this is also not possible, the taxpayers should pay for the cost of the service

In all three scenarios above, Council will incur these costs.

In addition, and having regard to the methodology adopted by IPART, Councils that opt to engage the NSW Electoral Commission will on average pay 62% more than what they did for the Council Elections held in 2016/2017. It is noted that IPART believes that although the costs would increase in the immediate term, it is considered that opportunities for competition in the electoral service provider space could lead to decreases over the longer term.

The CoPC strongly opposes this methodology, especially in a financially constrained environment, where rate-pegging, cost shifting onto Local Government and State and Federal funding arrangements still in place that are no longer fit for purpose. The cost of the Local Government Elections for the CoPC in 2017 was substantially more than that was forecast by both Council and the NSW Electoral Commission, as a direct result of the forced amalgamations by the NSW Government on the Local Government sector. We anticipate that these costs will continue to rise.

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The cost of Local Government Elections has steadily increased within the sector, and the recommendation arising out of the review conducted by IPART of the cost of Local Government Elections are in direct contrast to the terms of reference to *minimise the financial burden on Councils and ratepayers of Local Government Elections* provided by the NSW Premier to IPART for the purposes of conducting the review.

2. IPART's report proposes reforms that will encourage private election service providers to enter the market. IPART states that this will lead to the mandatory requirement of the NSW Electoral Commissioner to "unbundle" each of its Election services to enable Councils to be provided with binding quotes for individual services, leading to competition for individual services.

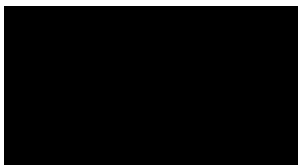
It is deemed inappropriate for Councils to bear the cost of remedying any near monopoly of the market that is a direct result of NSW Government policy and legislative settings. It is even more inappropriate for Election costs to increase for the 2020 Elections, when any unbundling intended to spur competition and lower costs, will not come into effect until the 2024 Elections.

The CoPC strongly opposes the immediate increase in Election costs prior to any "unbundled" proposal, having regard to the fixed costs imposed by the NSW Electoral Commission over services that Council has little or no control.

3. The CoPC supports the ability for Councils to have greater authority over the location and number of pre-polling and polling places within their respective Local Government Area, in order to manage overall Election costs. As evidenced by the recent Federal, State and last Local Government Elections (2016), there is an increasing preference for people to pre-poll, reducing the need for the high number for polling places on Election Day.
4. The CoPC supports the application of the significant fine revenue for non-voting in Local Government Elections to be directly offset against the cost of the Elections, applied to the relevant Local Government Area, and not paid into the NSW Government's consolidated revenue fund.

Please do not hesitate to contact Council's Group Manager, Governance and Risk Lisa Oldridge if you wish to discuss this submission further.

Yours sincerely,



**Rik Hart**  
Acting Chief Executive Officer