

Submission

IPART - Review of local government elections costs Draft Report June 2019

Before providing a response around individual recommendations from the IPART Draft report, Coolamon Shire Council would like to ask the question why such a large increase of costs in total election expenses ie. \$41 million 2016/17 to \$54 million (IPART) or \$56 million (NSWEC) for 2020.

To advise of a \$2 million reduction through the implementation of the IPART model is misleading in regard to the 31-36% increase in costs over the four year period.

Over this period rate pegging has been approximately 8% therefore Coolamon Council would like to know if there has been any transparency around this matter.

It becomes demoralising when every review, discussion, budget reallocation or finding results in local government having to pay the increase – regardless of the reason or impact. We, as a sector just get lumped with the ever burdening cost without any access to increasing revenue from the current taxation and/or rates system.

In regard to the draft report, Council agrees with the intent and purpose of this Review as requested by the Premier:

“... to recommend a robust methodology for allocating the costs incurred by the NSW Electoral Commission (the NSWEC) in administering local government elections. The costing methodology is required to minimise the financial burden on councils and ratepayers, while also encouraging the NSWEC to provide its election services in an efficient and cost-effective way.”

Council contends that the proposed increase of costs to Councils by an average of 62% is inconsistent with the recommendation *“costing methodology is required to minimise the financial burden on councils and ratepayers”*.

This proposed IPART methodology results in higher costs to smaller Rural Councils compared to Metropolitan Councils. The full table of indicative bills as identified in the report shows the majority of those Councils with over 62% increase are rural. As has been discussed on numerous occasions, Rural Councils do not have the capacity to generate additional own source revenue outside of the rate peg. This appears to be yet another impost on Rural and Regional areas.

It is also worth noting, that at the same time the overall State Government contribution to election costs decreases from the existing 11% down to 3%. Or more importantly down even further from the NSWEC proposal of 38%.

The statement that an average 62% increase is “relatively modest” when an accumulative impact of the decision together with other recent increases, (eg: Emergency Service Levy and External Auditing costs) will have a significant impact on Council’s financial position and therefore the ratepayers of Coolamon Shire.

Whilst IPART’s terms of reference has no concerns with the general operation of local government, this becomes yet another financial impact on the bottom line of Councils and erodes the services that it can deliver to communities.