

12 July 2019  
Resolution Number: 153  
ECM Reference No.: 6646663



Independent Pricing and Regulatory Tribunal (IPART)  
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HAYMARKET POST SHOP NSW 1240

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Dear Sir/Madam,

**Review of Costs of Conducting Local Government Elections – Hawkesbury City Council Submission**

I am writing to advise you that Hawkesbury City Council considered an item in relation to the subject matter at its meeting held on Tuesday, 9 July 2019, and formally resolved that:

1. *The report be received and noted.*
2. *Council endorse the draft submission that:*
  - (a) *Maintains the current cost of the 2020 Local Government Elections at \$440,000.*
  - (b) *Recommends that the stages outlined in the IPART proposal be reversed and the NSW Electoral Commission's service delivery model changes be introduced before any additional costs are passed onto Local Government.*
3. *A copy of Council's submission be forwarded to The Member for Hawkesbury, Robyn Preston.*

In doing so I must also advise you that the discussions within Council at the time of considering this item were considerable and included reference to the following points, namely:

- The September 2016 Local Government election cost Hawkesbury City Council \$358,000. As Council conducted a referendum in 2016, the breakup of costs associated with the election was \$334,000 for the election of Councillors and \$24,000 for the referendum.
- Council's current Long Term Financial Plan currently provides for a total of \$441,000 for the NSW Electoral Commission to conduct its 2020 Local Government election. The Draft IPART report states that should the current model for the conduct of elections be retained by the NSW Government, the NSW Electoral Commission costs to administer the 2020 Hawkesbury City Council Local Government election would be \$440,000, very much in line with Council's financial planning and modelling.
- As indicated in the Draft IPART report, should the Stage 1 recommendations be implemented, the costs for the NSW Electoral Commission to conduct the 2020 Hawkesbury City Council Local Government election would increase by \$224,000 to \$558,000. This represents as 67% increase compared to the cumulative 8.6% rate peg amount imposed by IPART on councils over the same four year period.
- Considering that there is a little over 12 months until the 2020 Local Government elections are to take place, and Council's Operational Plan for the 2019/2020 financial year has





recently been adopted, it is disappointing to discover that such a substantial increase in costs for the NSW Electoral Commission's services is expected to result from IPART's proposed cost allocation structure.

- Hawkesbury City Council has been severely impacted in recent years by the NSW Government practice of cost-shifting matters within the State Government portfolio onto local councils, and has been required to apply to IPART for a substantial Special Rate Variation of 31.29% over three years in order to satisfy the requirements of the Fit for the Future program, and deliver on the key activities and investment priorities identified by the Hawkesbury community.
- The projected additional expenditure applicable to Hawkesbury City Council that is identified in the draft report was not anticipated and will need to be addressed in Council's Long Term Financial Plan and next two Operational Plans. Council will have no alternative but to re-allocate funds from other programs or services and this will have a significant impact on the ratepayers of the Hawkesbury.
- There is a weight of public confidence in the NSW Electoral Commission that must be taken into account. The community has level of expectation that the council elections will be administered properly by a government department and in accordance with all relevant legislation. Therefore, Council is uncertain regarding the impact on public confidence that would result from a number of private service providers across the State delivering election services. Whilst the introduction of a new regulatory body would result in positive outcomes by monitoring the pricing, performance, and integrity of election services, Council would also be cautious that such a body would require costs to establish and administer, and therefore would not represent a true saving.
- As various components of the local government election process have been amended several times since the involvement of the Electoral Commissioner in 1987, in particular in response to issues regarding the financial impacts experienced by local councils, Hawkesbury City Council must necessarily be cautious.
- It is possible that the Minister may choose to accept some of IPART's recommendations but not others, or that some of the recommendations may be accepted but not implemented effectively or in time. There is a risk that, if the recommendations to change the fee allocation structure in 2020 are adopted, but the recommendations to change the service delivery model for 2024 are not adopted, or are not implemented successfully, then the cost of elections will remain unsustainably high for councils throughout future election cycles.
- It should also be noted that currently around 95% of councils in NSW use the NSW Electoral Commission for the administration of their elections, and all councils are predicted to experience a cost increase about equal to or greater than Hawkesbury City Council's predicted increase. As the cost of NSW Electoral Commission services is cross-subsidised amongst the total number of councils using the services, the more councils that choose to pursue alternative options, the greater proportion of NSW Electoral Commission fees will be borne by the councils that continue to use NSW Electoral Commission.
- Council commends NSW Electoral Commission's comments included on Page 46 of your report, where the NSW Electoral Commission has noted that councils in regional and rural areas do not have the capacity to meet cost recovery requirements for their services. This will certainly be the case for Hawkesbury due the size of the Local Government Area and remoteness of some communities.
- Council does acknowledge your concerns outlined in pages 48 and 49 of the report, regarding the lack of transparency regarding election costs and the difficulty that this has caused in fostering the development of alternative options.
- Council is fully in support of IPART's recommendations to improve transparency and the scrutiny of election costs. If competition from private providers can be improved, Council



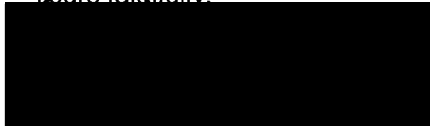
agrees that this could provide councils with options and may lower costs in the future (post 2020).

Therefore, Council is proposing that the stages of implementation for IPART's recommendations be reversed and that the current pricing regime for the 2020 elections be retained. Further, Council requests that the introduction of the major changes to NSW Electoral Commission's service delivery model be bought forward to reduce costs to councils for the 2020 local government elections.

If the stages are reversed, councils will then have four years to amend their Long Term Financial Plans to prepare for any increases under the proposed cost allocation model that would result in significantly higher costs being incurred by client councils.

Thank you again for the opportunity to comment on the report and recommendations. If you would like further information regarding any of the above points, please contact Council's Manager Corporate Services and Governance – Michael Wearne on (02) 4560 4426.

Yours faithfully,



**Peter Conroy** | General Manager | Hawkesbury City Council  
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