



18 July 2019

Local government election cost review
Independent Pricing and Regulatory Tribunal
Online and via email: ipart@ipart.nsw.gov.au

Dear Sir/Madam

Subject: Submission - Draft IPART Report - Review of local government election costs

Thank you for the opportunity to provide feedback on the *Review of local government election costs Draft Report (June 2019)*. This submission has been prepared by and reflects the views of Council staff.

Council staff support key principles articulated in the draft Report aimed at providing councils with a choice of election services in a competitive market. Local government delivers vital community services, and local government elections are a critical element of ensuring public participation through a democratic process. Council seeks to ensure that its elections services provide value for money for ratepayers and maintain the integrity of the process.

We note that the draft Report does not contain any quantitative estimate of the cost impacts of IPART's recommendations for Lake Macquarie City Council, as Council used the services of an external election provider in 2016-2017. We suggest that the final Report should include such an estimate to enable Council to clearly interpret the impact of IPART's recommendations.

Appendix B of the draft Report shows that IPART's draft recommendations will result in significant cost increases for other councils. Because we remain unclear about estimated NSW Electoral Commission costs for the 2020 election, it is difficult for Council to plan and make an informed choice about election providers. Some councils may also find it difficult to absorb large, unplanned cost increases. Accordingly, we suggest that the final Report provide for extended transitional arrangements to allow councils reasonable time to plan for significantly increased costs.

We make the following specific comments on recommendations included in the draft Report.

Draft recommendation 12

Draft recommendation 12 refers to several regulatory reforms to support implementation of a market model for local government election services.

Our Ref: F2018/01112

D09395551

126-138 Main Road
Speers Point NSW 2284
Box 1906 HRMC NSW 2310

T 02 4921 0333
E council@lakemac.nsw.gov.au
W lakemac.com.au

 [lakemac](#)  [lakemaccity](#)  [ourlakemac](#)

We support key reforms included in draft recommendations 12.1, 12.2 and 12.3 in order to provide choice for councils. In particular, the unbundling of election services by the NSW Electoral Commission and provision of binding quotes for services would provide a more meaningful choice for Council. Reducing the time period by which Council must resolve to engage the NSW Electoral Commission to nine months will ensure that Council can more accurately assess its requirements and expected costs in procuring election services, and better align with other pre-election requirements such as section 224 of the *Local Government Act 1993*.

We strongly support draft recommendation 12.4 about provision of assistance to councils to further develop their election management capabilities through a training program. The recommendation refers specifically to delivery of such a training program by the Office of Local Government. The Office of Local Government would clearly play an important role in ensuring accessibility of a training program across local government. However, other providers may be capable of delivering aspects of such a training program. This is particularly so where, in addition to general procurement and contract management, specialist training may be required to enable councils to implement and enforce certain contractual obligations, for example relating to regulated methods of election counting or other minimum standards set for local government election processes.

We support draft recommendation 12.5, which refers to legislative change to ensure that a general manager becomes responsible for producing a valid election result if and when the council ceases to engage NSW Electoral Commission for all services. However, a further issue arises where a council engages the NSW Electoral Commission to provide some services in accordance with IPART's recommendations for unbundling. It is difficult to see how a general manager could meet their responsibility for producing a valid election result without a binding contract to ensure they can hold any service provider to account. Under s296(2) of the *Local Government Act 1993*, a council may but is not required to enter into a contract with the Electoral Commissioner to administer elections. We recommend legislative change as necessary to ensure that the NSW Electoral Commission enters into contracts with a council in circumstances of partial service provision.

At pages 67-68 of the draft Report, IPART has asked for stakeholder views on the viability of an approach involving third-party independent oversight of an election, in light of concerns raised about perceived conflicts of interest for a general manager. In our experience, the role of the general manager ensures that appropriate local knowledge assists in delivering election services that meet the needs of the community. For example, Council officials can draw on local knowledge to consider community needs in the location of polling places, given that this will be a direct cost of an election. It is critical that any third party can access such local knowledge to ensure value for money in election services.

Draft recommendations 9 and 10

Draft recommendations 9 and 10 refer to the impactor-pays funding hierarchy, and the allocation of costs between client councils, non-client councils and the NSW Government.

IPART's recommended model appears to allocate capital costs to client councils as indirect costs of an election (see p.41).

Appreciating that the NSW Electoral Commission may fund and use capital assets across multiple elections where client councils may change, we suggest the final Report should include analysis about the potential equity issues of the allocation of these costs to client councils in a particular election.

Should you require further information, please do not hesitate to contact Coordinator Council Liaison, Loren Cousins, on [REDACTED]

Yours faithfully,

[REDACTED]

Morven Cameron
Chief Executive Officer