



File Ref: PV:LA: E15-020

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16 July 2019

Local Government Election Cost Review
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

Dear Sir/Madam

RE: DRAFT REPORT – REVIEW OF LOCAL GOVERNMENT ELECTION COSTS

I refer to the Draft Report released by IPART regarding its review of local government elections costs.

The contents of the Draft Report were noted by Council at a recent meeting. Council expressed concern at the implications of the costing methodology being proposed by IPART particularly for small rural councils such as Lockhart Shire. In particular Council submits that:

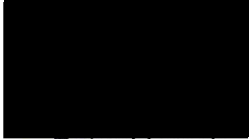
- Recommending a costing methodology that increases costs to councils by an average of 62% appears to be inconsistent with the Review's Terms of Reference, i.e. under the Terms of Reference "*The costing methodology is required to minimise the financial burden on councils and ratepayers...*").
- It is unreasonable to adopt a methodology that results in higher costs for small rural councils compared to metropolitan councils. It is noted that elections costs are not included in the Local Government Cost Index that IPART refers to each year to determine the rate peg. Metropolitan councils have much greater capacity to generate own source revenue outside of the rate peg.
- Councils should not be disadvantaged in the distribution of costs because of their geographic location.
- Whilst in isolation IPART might consider the impact of its methodology on ratepayers to be "relatively modest" (page 53), when the cumulative impact of Government decisions and legislative changes are taken into account, e.g. recent increases in auditing costs and the emergency services levy, the impact on ratepayers is significant.

According to the Draft Report the indicative bill Lockhart Shire Council would receive for the 2020 elections under the NSW Electoral Commission's proposal is \$24,000. Since the 2016 elections Council has been transferring to an election reserve an amount of \$6,000 per annum to cover the cost of the next ordinary elections and therefore its current budgeting is on track to cover the costs of the 2020 elections.

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If the Government feels compelled to adopt the IPART recommendations, and bearing in mind that Lockhart Shire Council has adopted a prudent approach of transferring an amount to an election reserve each year to cover the cost of the forthcoming elections, Council submits that any revised costing methodology should not be applied until the 2024 elections.

Yours faithfully



Peter Veneris
GENERAL MANAGER