

31 July 2019

### **FEEDBACK ON REVIEW OF LOCAL GOVERNMENT COSTS**

In response to the draft IPART report Snow Monaro Regional Council provides the following response approved by Council at the 18 July 2019 Council meeting.

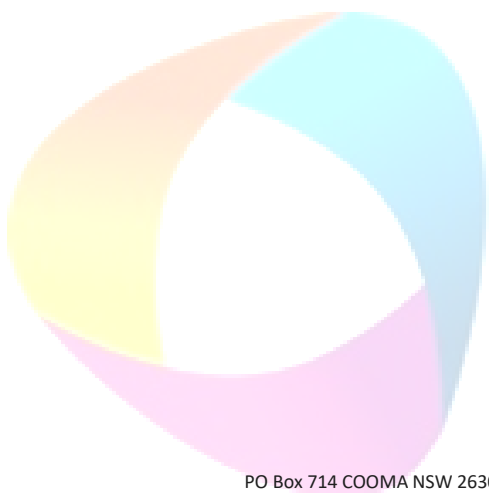
The Snowy Monaro Regional Council does not have the requisite skills to manage an election and will engage NSWEC to facilitate the 2020 Council election administration. In addition there is concerns about the potential conflicts of Councils self- administering elections.

As a Rural Regional Classified Council expending \$158,000 for the 2017 elections, which does not include costs incurred for operational support staff and pre polling support, this recommendation suggests an increase of \$83,000 based on the IPART methodology which imposes a significant impost to Council sustainability to have a 52% increase in costs. The proposed NSWEC methodology also recommends a cost increase of approximately \$64,000 which is also unsustainable.

As discussed in the review there is a requirement for increased competition in the market for electoral services to significantly reduce costs, in addition to support for skill development within councils to support self-management of elections ongoing, hopefully supported by a NSW Government based digital platform that would reduce overall costs in facilitation. Shifting the cost burden to Councils, especially the impact to rural councils is not supported.

We strongly object to the increased financial costs for Councils and until this is addressed we would recommend the review look further to improve efficiencies to reduce the cost burden to Councils rather than increase that share.

In addition we would seek further clarification on the introduction of the use of a countback process as opposed to a By Election, in the event there is a vacancy arising within eighteen months of an election.



## References from Draft Report:

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**Table 4.3 Comparison of cost shares under different allocation methods (\$'000)**

Building blocks	NSWEC Existing allocation	NSWEC Proposed allocation	IPART draft recommendation allocation
<b>Council share</b>			
Operating expenditure	47,736	33,509	48,039
Return of assets (depreciation)	0	0	2,762
Return on assets	0	0	426
Return on working capital	0	0	632
Regulatory tax allowance	0	0	179
<b>Total councils' share (\$)</b>	<b>47,736</b>	<b>33,509</b>	<b>52,037</b>
<i>Total councils' share (%)</i>	<b>88.6%</b>	<b>62.2%</b>	<b>96.5%</b>
<b>NSW Govt share (\$)</b>	<b>6,170</b>	<b>20,397</b>	<b>1,869</b>
<i>NSW Govt share (%)</i>	<b>11.4%</b>	<b>37.8%</b>	<b>3.5%</b>
<b>Total</b>	<b>53,906</b>	<b>53,906</b>	<b>53,906</b>

Source: IPART analysis.

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Council	2016-17 bill	NSWEC proposed	IPART recommended	Difference – IPART vs 2016-17		Difference – IPART vs NSWEC proposed	
				(\$'000)	%	(\$'000)	%
Snowy Monaro Regional Council	158	222	241	83	52%	19	8%

Regards

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Snowy Monaro Regional Council