



PORT STEPHENS
C O U N C I L

SUPPLEMENTARY INFORMATION

ORDINARY COUNCIL MEETING
24 SEPTEMBER 2019

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Nb. Bold Items have not been previously received or viewed by Councillors.

SUPPLEMENTARY INFORMATION

ITEM NO. 11

**FILE NO: 19/316779
EDRMS NO: PSC2018-00494**

2020 LOCAL GOVERNMENT ELECTION

**REPORT OF: TONY WICKHAM - GOVERNANCE SECTION MANAGER
GROUP: GENERAL MANAGER'S OFFICE**

RECOMMENDATION IS THAT PORT STEPHENS COUNCIL:

- 1) Pursuant to s. 296(2), (3) and (5A) of the Local Government Act 1993 (NSW) ('the Act') that an election arrangement be entered into by contract for the Electoral Commissioner to administer all elections of the Council.
- 2) Pursuant to s. 296(2), (3) and (5A) of the Act, as applied and modified by s. 18, that a council poll arrangement be entered into by contract for the Electoral Commissioner to administer all council polls of the Council.
- 3) Pursuant to s. 296(2), (3) and (5A) of the Act, as applied and modified by s. 18, that a constitutional referendum arrangement be entered into by contract for the Electoral Commissioner to administer all constitutional referenda of the Council.

BACKGROUND

The purpose of this report is to inform Council the Minister for Local Government, Shelley Hancock has announced costs for council elections will be reduced by Government contributions.

The NSW Government will fund the core cost component of the election for costs related to: head office costs such as staff payroll, training, election security, project management, drafting of election procedures and policies, core IT system development and maintenance and ongoing voter roll maintenance. With councils responsible for direct costs such as: election staffing, venues, ballot paper printing, council-specific advertising and voter information products.

The average costs per elector for the next election should be around \$8.21, compared to \$12.72, if there was no Government contribution. In 2017, Port Stephens Council's cost per elector in 2017 was \$7.51.

It is anticipated the costs for the NSW Electoral Commission to conduct the 2020 election will be in excess of \$500,000. Based on the announcement by the Minister, it is not expected the costs will be in the vicinity of \$652,000, as indicated in the Council report.

ISSUES

Council is now waiting for the NSW Electoral Commission to provide an estimate of costs to conduct the 2020 local government election in Port Stephens. Council is required, under the Local Government Act to appoint a service provider to conduct the election by 1 October 2019.

ATTACHMENTS

- 1) NSW Government response to IPART report
- 2) Minister for Local Government media release

NSW Government Response

IPART Review of Local Government Election Costs



Review of Local Government Election Costs

NSW Government Response to IPART Recommendations

The next local council elections will be held on 12 September 2020. Since 2008, council elections have been undertaken on a full cost recovery basis. The NSW Electoral Commission (NSWEC) pays the direct costs of the election and then invoices councils once the elections are completed plus an Election Management Fee to cover the NSWEC's corporate overheads.

The Government has asked the Independent Pricing and Regulatory Tribunal (IPART) to undertake a review of local government election costs for the 2020 elections. IPART has been asked to recommend a costing methodology that minimises the financial burden on councils and ensures local government elections are conducted efficiently and cost effectively.

The Government thanks IPART and all the stakeholders who participated in this process for their work on this review.

IPART's review has demonstrated the need for the Government to meet part of the costs of council elections. In response to IPART's review, the NSW Government is pleased to announce that it intends to fund the NSWEC's core costs in relation to the administration of local government elections, thereby reducing councils' election costs.

Under the new funding model, costs will be assigned as either direct or core costs and allocated to councils or the NSW Government accordingly. The funding model will see costs allocated on the following basis:

- Direct (or marginal) costs are the costs that would not be incurred if an election was not held. These will be recovered from councils on a direct allocation and per elector basis. These include election staffing, venues, ballot paper printing, council-specific advertising and voter information products.
- Core costs are defined as head office costs such as staff payroll, training, election security, project management, drafting of election procedures and policies, core IT system development and maintenance and ongoing voter roll maintenance. These are the costs the NSWEC must incur to maintain its capacity to conduct local government elections. The NSW Government will fund these core costs of \$19.9 million.

The NSW Government's funding contribution will result in an indicative weighted average cost per elector of \$8.21, which will be passed onto councils, compared to a weighted average cost per elector of \$12.72 if no NSW Government contribution was provided. Adoption of the new funding model offers the following benefits:

- it reduces councils' election costs ensuring all councils, regardless of size, can afford to retain an electoral services provider to administer their elections
- it is more efficient, cost effective and cost reflective
- it ensures a more equitable allocation of election costs, eliminating the need for larger councils to cross subsidise smaller councils' elections, and
- it reflects the practice in other jurisdictions where State Governments fund their Electoral Commissions' core operations in relation to local government elections resulting in lower costs per elector compared to NSW.

The Government is committed to further reducing the cost of local government elections.

NSW Government Response

IPART Review of Local Government Election Costs



Amendments were made to the Local Government (General) Regulation 2005 last year to give councils the option of avoiding the cost of by-elections in the first 18 months of councils' terms by filling vacancies by a countback. The option of countbacks will be available to councils following the September 2020 ordinary elections.

To achieve further efficiencies in the administration of council elections, the Government proposes to make amendments to the electoral provisions of the Regulation to modernise and align them with the more contemporary and efficient practices used at State elections. These amendments will be made in time for the September 2020 council elections.

The Government agrees with IPART that electoral service providers should be responsive to the needs of councils in administering their elections and, to accommodate this, amendments will also be made to the Regulation to require the NSWEC and other electoral service providers to exercise their functions as election managers in consultation with councils. To ensure the integrity of council elections, ultimate decision making in relation to the administration of council elections will rest with the election manager.

The Government is committed to identifying further opportunities for reducing councils' election costs and to this end, it will be consulting with the local government sector early next year on extending to all councils the option of conducting their elections by universal postal voting instead of attendance voting from the 2024 election.

Universal postal voting has operated successfully in Victoria for some years. At the 2016 Victorian local government elections, 72 out of 79 (92.7%) councils conducted their elections by universal postal voting. In 2016, universal postal voting elections cost 12.2% less than attendance voting elections and had higher participation rates. Participation rates at council elections using universal postal voting elections was 73.8% compared to 61.5% for attendance voting elections.



Shelley Hancock
Minister for Local Government

MEDIA RELEASE

Wednesday, 18 September 2019

NSW GOVERNMENT REDUCES COST OF COUNCIL ELECTIONS

The NSW Government will provide almost \$20 million in funding to reduce the cost of running next year's local government elections for councils and their communities.

Minister for Local Government Shelley Hancock said the Government has listened to the concerns of councils about significant increases in their election costs as part of IPART's review of the cost of local government elections.

"We are committed to minimising the financial burden on councils and ensuring elections are held efficiently and cost effectively," Mrs Hancock said.

"That's why the Government will provide \$19.9 million to fund the NSW Electoral Commission's core costs for local government elections such as staff payroll, training, IT system development, and maintenance of the electoral roll."

Councils will now only pay the direct costs incurred by the Electoral Commission in holding elections such as polling booth staff and venues and ballot paper printing.

"The cost per elector for the next local government elections will be \$8.21, compared to \$12.72 if no Government funding contribution was provided."

Mrs Hancock said the Government would also make a range of regulatory changes to further increase the efficiency of local government elections.

"These changes include applying modern and efficient practices used at State elections to council polls from 2020 onwards such as allowing full electronic nominations and electronic vote counting."

The Government will also consult with the local government sector on giving councils the option to use universal postal voting instead of attendance voting from the 2024 elections onwards to reduce costs further and increase participation rates.

IPART's final report on the costs of local government elections and the NSW Government response can be accessed [here](#).

MEDIA: Nicholas Story | 0438 255 020