

Circular Details	Circular No 19-22 / 27 September 2019 / A673766
Previous Circular	19-02 Consultation by IPART on recommended reforms to local government election costs and extension of the deadline for councils to make a decision on the administration of their elections
Who should read this	Councillors / General Managers / Council Governance Staff
Contact	Council Governance Team / 02 4428 4100 / olg@olg.nsw.gov
Action required	Council to Implement

Government response to IPART's review of local government election costs

What's new or changing

- On 30 August 2019, the Independent Pricing and Regulatory Tribunal (IPART) provided its final report of its review of local government election costs to the Minister for Local Government. IPART's final report is available [here](#).
- On 18 September 2019, the Government released its response to IPART's final report and announced that it intended to fund the NSW Electoral Commission's (the Commission) core costs in relation to the administration of local government elections, thereby reducing councils' election costs. The Government response to IPART's final report is available [here](#).
- Councils must make a decision on the administration of their elections by **1 October 2019**, or soon thereafter, and must enter into any arrangement with the NSW Electoral Commissioner (the Commissioner) to administer their elections no later than **1 January 2020**.

What this will mean for your council

- 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 Commission 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 Government contribution was provided.
- If they have not already done so, councils must now make a decision on how their elections are to be administered by **1 October 2019**, or soon thereafter.
- Under section 296AA of the *Local Government Act 1993* (the Act), each council must resolve either:

- to enter into an election arrangement with the Commissioner to administer all the council's elections, polls and constitutional referenda; or
- that the council's elections are to be administered by an electoral services provider engaged by the council.
- Where the council resolves that the council's elections are to be administered by an electoral services provider engaged by the council, the resolution must specify whether the general manager has identified an electoral services provider to be engaged for the next ordinary election of councillors and, if so, the name of that provider.
- Section 296(5) of the Act empowers the Commissioner to enter into an arrangement to administer a council's elections after the statutory deadline of **1 October 2019** for a decision on the administration of the council's elections if satisfied that there are exceptional circumstances that make it desirable or necessary for him to do so.
- The Commissioner has formed the preliminary view that constraints placed on councils in the context of the timing of the IPART review constitute 'exceptional circumstances' for the purposes of section 296(5).
- If a council cannot pass the requisite resolution to enter into an election arrangement with the Commissioner on or before **1 October 2019**, it should provide its resolution to the Commission as soon as possible after that date to enable the Commissioner to consider the resolution pursuant to section 296(5) of the Act.
- To enable the Commission to adequately plan for council elections, any contracts must still be signed and returned to it no later than **1 January 2020**.
- If a council does not enter into an election arrangement with the Commissioner, the council will be required to engage an alternative electoral services provider to administer its elections.

Where to go for further information

- Further information on council decisions on the administration of the 2020 council elections is available in the FAQ issued with [Circular 18-43 Council decisions on the administration of the September 2020 elections](#). Please note that some of the information in the FAQ has been superseded by subsequent amendments to the Act and it should be read in conjunction with the information contained in this circular.
- Contact OLG's Council Governance Team by telephone on 02 4428 4100 or by email at olg@olg.nsw.gov.au.
- Contact the NSW Electoral Commission by telephone on 02 9290 5999.



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