

**JOINT STANDING COMMITTEE ON ELECTORAL MATTERS**  
**Inquiry into 2008 Local Government Elections**

**Question on notice to Mr Trevor Follett, Director Finance and Administration**

**Question 1:**

**The Hon. DON HARWIN:** *Thank you. Rather than me detaining other members, if you could just give me a chronology that would assist. It may help to clear up some of the apprehension that there is in the sector about the way the figure was arrived at.*

**Mr FOLLETT:** *Happy to go back in four years history on that.*

**Response 1:**

Figures below have been extracted from Treasury forward estimate reports:

Forward Estimates Report 2008-09 Budget

<u>Date of Treasury Allocation Letter</u>	<u>2008/09 Fee for Services</u> \$000's
30/06/2005	5,581
28/10/2005	5,581
14/07/2006	5,771
20/09/2006	5,771
11/10/2006	5,771
11/04/2007	3,927
18/09/2007	3,914
PB3 June 2008	3,149

**JOINT STANDING COMMITTEE ON ELECTORAL MATTERS**  
**Inquiry into 2008 Local Government Elections**

**Question on notice to Mr Brian DeCelis, Director Funding and Disclosures**

**Question 1:**

**Ms LEE RHIANNON:** *How many prosecutions have been initiated or are in process?*

**Mr DeCELIS:** *that would have to be clarified to the point for which disclosure period, because there was a transitional one and there was the December one.*

**Ms LEE RHIANNON:** *Fair enough. It was an open-ended question, I apologise. Just take the last six monthly period, or, if you do not have that information, for the previous six monthly period.*

**Mr DeCELIS:** *Would you mind if I—*

**Ms LEE RHIANNON:** *Take it on notice:*

**Response 1:**

REFERRAL / PROSECUTION SUMMARY TABLE	
<b>Disclosure period ending 30 JUNE 2008</b>	
<i>Category</i>	<i>Number identified for referral</i>
PARTY AGENTS	8
CANDIDATE OFFICIAL AGENTS	11
<b>Disclosure period ending 31 DECEMBER 2008</b>	
<i>Category</i>	<i>Number identified for referral</i>
PARTY AGENTS	1
GROUP OFFICIAL AGENTS	35
CANDIDATE OFFICIAL AGENTS	19
DONORS	197

**AGENDA AND DISCUSSION POINTS FOR MEETING BETWEEN  
NSWEC AND COUNCILS  
REGARDING ARRANGEMENTS  
FOR THE 27 SEPTEMBER 2008  
LOCAL GOVERNMENT ELECTIONS**

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# Election Calendar

## Local Government Election – 27 September 2008

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
17 August	18 August	19 August	20 August	21 August	22 August	23 August
* GENERAL MANAGER ADVERTISES CLOSE OF ROLL TWICE IN 60 DAYS PRIOR TO CLOSE OF ROLL	* CLOSE OF ROLLS  * RO TO ADVERTISE ELECTION DAY AND CALLING OF NOMINATIONS DURING THIS WEEK					
24 August	25 August	26 August	27 August	28 August	29 August	30 August
			* CLOSE OF NOMINATIONS (5:00 PM)		<b>NOMINATION DAY</b> * GROUPINGS/GROUP VOTING SQUARES BY NOON * WITHDRAWAL OF NOMINATIONS BY: 11:00AM * DRAW AT NOON * REGISTRATION OF HOW-TO-VOTE MATERIAL OPENS * POSTAL VOTING OPENS * REGISTRATION AS RGPV CLOSES (5:00PM)	
31 August	1 September	2 September	3 September	4 September	5 September	6 September
7 September	8 September	9 September	10 September	11 September	12 September	13 September
	* REGISTRATION OF HOW-TO-VOTE MATERIAL CLOSES					
14 September	15 September	16 September	17 September	18 September	19 September	20 September
	* PRE-POLL VOTING OPENS					
21 September	22 September	23 September	24 September	25 September	26 September	27 September
	* POSTAL VOTE APPLICATIONS CLOSE (5:00PM)  * D.I. VOTING COMMENCES		* D.I. VOTING CONCLUDES		* PRE-POLL VOTING CLOSES (6PM)	<b>Election Day</b>
28 September	29 September	30 September	1 October	2 October	3 October	4 October
	* RETURN OF POSTAL VOTES CLOSES (6:00PM)	* DISTRIBUTION OF PREFERENCES COMMENCES				





## 2. Council's Election Budget & Election Costs

- i. The amount advised to councils is an indicative cost of all election services and activities and includes costs previously paid directly by the council. It was provided so that council can make an appropriate allocation in its 2008/2009 budget. The amount does not include GST and does not include the cost of referendums, polls or Mayoral elections.
- ii. Pricing structure based on full cost recovery as identified by CoCQG and as expected by Government. It does not provide for any "profit" but reflects the full cost of providing professional election services.
- iii. An estimated costing of each item will be provided when available – expected by December 2007. A further meeting can be requested with NSWEC at that time.
- iv. Councils have been charged on a full cost recovery basis for by-elections since 2006.
- v. Some expected costs such as rental for returning officer accommodation; office assistance; printing; phone; postage etc have previously been "hidden" and absorbed by council and not identified as a separate cost attributed to the election.
- vi. All costs for the election will be identified and paid by NSWEC (eg electricity bills for RO offices, mail, couriers, freight, etc)
- vii. Some costs for the State GE that do not apply to councils are:
  - Tally Room
  - Interstate & overseas voting
  - Absent voting
  - Printing LC ballot papers
  - AEC/Regional Counting Centres
  - TV campaign
- viii. There will generally be a cost attached to all of the services in this paper. In a number of cases there will be costs not previously incurred eg:
  - EMA development and rollout to ROs;
  - Council visits program
  - Voter call centre;
  - Candidate/councils help desk
  - "full time" returning officers in all councils;
  - Full time RO support centre (ROSOs);
  - Office accommodation (to meet criteria) and resourcing requirements for ROs;
  - Provision of hardware and IT support;
- ix. Many costs will increase from the previous election eg:
  - returning officer recruitment and training;
  - returning officer payments;
  - accommodation;
  - increased need for office assistants and training for accepting and processing nominations and registration of how-to-vote material

- (previously undertaken by NSWEC staff);
- develop and implement an elector information campaign;
- x. The NSWEC Management Fee is \$195.00 per hour and includes:
  - Maintenance of a larger infrastructure and development of NSWEC staff expertise to run LG elections;
  - Development and maintenance of computer systems (EMA, LCLG, VoteCalc)
  - Development and production of training material, procedural documents, forms, etc driven by a need for more comprehensive and professional training;
  - Development and production of candidate information and materials as a result of a greater emphasis on candidate education.
- xi. Some direct costs associated with the Management Fee include:
  - Managing the nomination process;
  - Managing the registration of how-to-vote material;
  - Supervision of and providing advice to returning officers;
  - Preparation of advertising material and monitoring;
  - Provide enquiry service to councils, candidates and the public.

Notes:

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### 3. Redevelopment of NSWEC's Election Management Software (EMA) and Vote Counting Software

- i. NSWEC is re-engineering its election management software (EMA) to customise it for LG elections.
- ii. EMA will be provided to every returning officer and will be used:
  - 1) To store essential election base data (council areas, polling places, RPP information, candidates etc);
  - 2) For the recruitment of polling place election officials, and RO office staff;
  - 3) The capture of payroll information for all employed (bank details, TFN etc)
  - 4) To process postal and pre-poll votes;
  - 5) To enter election night and final count results;
  - 6) To process general enquiries; and
  - 7) For election funding purposes
- iii. NSWEC is also reviewing the functionality of its vote counting software.

Notes:

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All advertising will be coordinated and undertaken by NSWEC (close of rolls included, if responsibility passed to EC) and returning officer (nominations, candidates, results). ROs would receive templates and populate with relevant data.

Councils would have the option of placing these ads with local newspapers on behalf of the returning officer.

Council could undertake any additional advertising, but only using NSWEC generated advertisements.

There may be opportunities to incorporate council logo, but only in advertising specific to council.

NSWEC will undertake an Elector Information Campaign, including an Aboriginal elector strategy and information for electors with disabilities. This will be predominantly newspaper advertising and will include some radio close to election day. No TV.

NSWEC will be providing "milestone event" advertising in press and on radio - enrolment; postal voting and pre poll voting; don't forget to vote - election day; etc.

Media releases to all media to coincide with milestone events will be used.

NSWEC will also advertise candidate information sessions.

Council has option of distributing an election brochure (can be personally addressed to every elector, or addressed to the "household"). Would be arranged by NSWEC, but content would be agreed between council and NSWEC. Council can arrange delivery/postage if that's preferred.

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## 11. Candidate Information Seminars

- i. Will be held on metropolitan and regional basis, at times and locations to be determined, but will be held prior to close of nominations. Would be conducted by senior NSWEC staff.
- ii. Council may want to suggest best day(s) and time(s) to hold seminars.
- iii. Sessions presented will include: affects of changes to legislation; nomination and grouping processes; registration of how-to-vote material; election offences; voting and counting methods and arrangements etc
- iv. Newspaper and possibly some radio advertising may be undertaken
- v. Council/DLG/LG & Shires Associations may be able to do presentation regarding councillor duties, responsibilities etc following NSWEC presentation. This will be worked through with DLG and LG & Shires Associations.

Notes:



### 13. NSWEC Call Centre

- i. NSWEC will establish a call centre from mid/late August until end September. Based roughly on State general election, number of enquiry staff would peak at approx 60.
- ii. The call centre will comprise a General Enquiries number staffed by trained personnel and a separate “help desk” number for councils and candidates which will be operated by a smaller number of trained NSWEC personnel.
- iii. The call centre would be reactivated on a smaller scale when penalty notices are issued, probably early December 2008.

Notes:

## 14. Printing Ballot Papers

- i. NSWEC will manage all arrangements for the printing of ballot papers, including engaging printers.
- ii. EMA software will be used by ROs to enter candidate, grouping details. NSWEC will send data file to designated printer.
- iii. For security reasons, there will be no “in-house” printing by councils, or use of council’s preferred printer.

Notes:



## 15. Electoral Rolls and “iRoll”

- i. General Manager will still receive applications for non-residents roll and roll of occupiers and ratepaying lessees, certify, and send to NSWEC as PDF for inclusion in printed reference roll and certified list.
- ii. Option of electronic or hard copy roll will be available to RPPs and candidates following close of roll. Will be provided to council following election.
- iii. Explain iRoll - used successfully at State election, primarily for absent votes. Will be used at council election primarily to check enrolment in ward elections.

Notes:

## 16. Vote Counting Arrangements

- i. Check counts of Saturday night figures will be carried out on Sunday/Monday.
- ii. Where ballot papers have group voting squares, those ballot papers will be delivered to the NSWEC Counting Centre at Riverwood. This will operate for approximately 2 weeks from 30 September and will be managed by NSWEC staff, with approximately 150 data entry staff working 2 x 8 hour shifts each day until the completion of counts and any recounts.
- iii. All Mayoral and other councillor ballot papers will be counted by the respective returning officer and distribution of preferences will start Tuesday 30 September (postal votes returns close 6.00pm Monday).
- iv. Counting of referendum and poll papers will be by returning officers.

Notes:

## 17. Display and Declaration of Election Results

- i. Results of all councillor and mayoral elections, whether from returning officers or from LGCC, will be entered into EMA and released by NSWEC onto its Results website as they become available.
- ii. Results will be posted on the website from election night onwards and updated as results are finalised.
- iii. Some results from LG Counting Centre will not be available until second week after election. Elections will be processed in a pre-determined order (a mix of large/small/ metropolitan/country councils) so that candidates can arrange to have scrutineers present.
- iv. Returning officers will still formally advise candidates of election result
- v. Each council's individual results should appear on council's website (link to NSWEC).
- vi. All candidates will be advised by NSWEC/returning officer as to how to access results.
- vii. Recount options – EC can direct and candidates can request and pay for a recount. Candidates will be advised as to requirements.
- viii. NSWEC will also release Referendum results to website, but will not release poll results. That will be up to council.

Notes:



## 18. Post Election

- i. Refund candidate deposits – returning officer will advise council as to who is entitled to a refund and council will arrange.
- ii. Arrangements for decommissioning returning officers' offices will largely depend on location of office, but would be undertaken by NSWEC contractors.
- iii. Formal arrangements will be in place to get returning officer and stakeholder feedback regarding conduct of election and levels of service provided.
- iv. NSWEC invoice will detail all items of cost.
- v. NSWEC will prepare an election report to the Minister and to each council following receipt of feedback from returning officer and stakeholders.
- vi. Non voter penalty notice action will be undertaken by NSWEC. Councils do not receive fines - paid into Consolidated Revenue.

Notes:







## **Background Information for Council Visits**

The Electoral Commissioner has been responsible for the conduct of LG elections since 1987. This means that among other things the EC appoints returning officers, who conduct the election under the control and direction of the Commissioner. Previously, councils had conducted their own elections, with the council general manager as the returning officer.

Since 1987 councils have, to a point, been "included" in the election process and have, where possible, provided returning officers with accommodation, clerical assistance, computers, phones, mail services etc.

These have always been hidden costs as they have been paid for directly by councils or have been consumed as part of councils day to day operations and therefore have not shown up "on the books" as part of the overall cost of the election to the council. These costs are now being captured and budgeted for.

NSWEC wrote to each council on 18 June 2007, providing them with a "ball-park" estimate of the cost of their election, so that they could make provision for that cost in their budgets. The overall cost of the elections to Local Government has been estimated at \$31 million. This amount was derived from the overall cost of the 2007 state general election, (\$38.4m) less the cost of a tally room, LC ballot paper production, interstate and overseas voting, TV commercials and the large scale media campaign, Regional Counting Centres, etc.

However, LG elections have a number of unique logistical and management problems resulting from complexities that do not exist in State General Elections, such as:

- Differences in elector numbers between councils (from 902 to 167,925);
- Undivided councils/wards;
- Mayoral elections;
- Different methods of voting and counting (between wards/council areas);
- Managing the large number of candidates;
- Managing the registration of the large quantity of how-to-material;
- Options of holding referendums and/or polls;
- Polling place and returning officer resourcing issues – created by all of the above.

The NSWEC receives no funding from the Government to conduct Local Government elections and while costs incurred by this office have always been recovered from councils, the pricing structure applied to the recovery of costs meant that the full and real cost of elections was not being recovered from councils. It is further evidence that the true cost of the election was not fully captured.

The Council for the Cost and Quality of Government recognised the need for full cost recovery and recommended a pricing structure be developed that would ensure this. Independent auditors consequently recommended a pricing structure that would ensure elections would be conducted on a full cost recovery basis. By-elections conducted in the last 18 months have been undertaken on a full cost recovery basis. Up until now, there had been little or no criticism of the new pricing structure.

NSWEC is also adopting an "arms length" approach to councils' involvement, ensuring the confidence of candidates and the public and thus the integrity of the election process.

This will mean that unless there are exceptional circumstances, returning officers will find their own office accommodation and their own office assistants and we will provide for their IT and communication needs. This will realise the previously hidden costs that will now be chargeable to and recoverable from councils.

The following initiatives and services, derived from the identified Local Government election projects will also contribute to higher election costs to councils.

The following costs will not previously have been incurred by councils:

- EMA software development
- Voter call centre
- Candidate/council help desk
- Full time ROs in all councils
- On line training for ROs and PPMs
- RO support structure
- Rollout of computer hardware and IT support

The following costs will increase from previous elections:

- RO recruitment and training
- RO remuneration
- RO accommodation
- Recruitment and training of office assistants
- Candidate information material and candidate education

The primary purpose of the council visits is to provide councils with information regarding the election services proposed. A breakdown of the cost attached to each service is presently being developed and will be provided to councils within the next few months.

The estimated cost of \$7.14 per elector is all inclusive in respect to the conduct of elections for councillors. Mayoral elections, referendums and polls will incur some additional cost and this too will be advised in due course.



# Acquisition of Office Accommodation 2008 Local Government Election

## 1. FUNCTIONS OF A RETURNING OFFICE

The Returning Officer's office plays an important role in the election and is the key venue for the following activities:

- Meet with candidates and/or their representatives;
- Provide a counter service to members of the public;
- Issuing pre-poll and postal votes;
- Store stationery and other electoral material;
- Arrange resources for polling places;
- Scrutinise votes and conduct counts including check count and distribution of preferences;
- Receive and sort electoral material after Election Day;

## 2. GUIDELINES FOR SELECTING OFFICE ACCOMMODATION

The returning officer's office is the public face of the NSW Electoral Commission and should present a professional image. In this respect careful consideration should be given to the following criteria when selecting an office.

### Size

The minimum size requirement for an office is related directly to the number of electors within a Council area. A scale is provided which separates the Councils into 5 categories with a minimum office size provided for each category.

### Work Space

When considering the available space and minimum size requirements the Council/RO should be mindful that the area should be 'open plan' and should not consist of a number of smaller areas to meet the minimum requirements. Election activities such as sorting and packing polling place material, ballot paper counting and scrutineering require an open area to maintain organisation and flow of activities.

### Period of Rental

The office would be required by the Returning Officer for the period approximately mid August – mid October 2008. Some of the bigger councils may need an earlier start. These will be considered on an individual basis.

### Other Criteria

In addition to the minimum size requirements outlined by the NSWEC there are also other criteria that are to be met when considering premises:

- Professional Image
- Located within the Council area
- Convenient to Electors
- Close to public transport for both staff and electors
- Wheelchair access for persons with a disability (in particular for pre-poll)
- Preference for ground floor (access for pre-poll)
- Requirement for signage regardless of location
- Staff Amenities (kitchen/toilets that can be accessed 24hrs)
- 24 hr power
- Adequate Lighting
- 24hr unrestricted access to the premises (access is also to be restricted to RO office staff)
- Must be secure
- Staff parking facilities
- Secure storage for ballot papers
- Requirement to install telephone & data lines (may not be required)

2007/1070

18 June 2007

«GM\_SAL» «GM\_FIRST» «GM\_LAST»  
General Manager  
«ORGNAME»  
«POSTAL\_ADD1»  
«POSTAL\_ADD2»  
«POSTAL\_SUBURB» «POSTAL\_STATE» «POSTAL\_PCODE»

Dear «GM\_SAL» «GM\_LAST»

### **Indicative Costing for Local Government 2008 General Elections**

I am writing to provide you with information that may assist in your budget for the September 2008 Local Government elections.

In 2005 the Council for the Cost and Quality of Government reviewed the New South Wales Electoral Commission (NSWEC) and identified a number of issues relating to the NSWEC's conduct of Local Government elections. The review, amongst other things, identified that the NSWEC was not conducting such elections on a full cost recovery basis.

The NSWEC receives no funding from the Government for the cost of establishing and maintaining an infrastructure and expertise to conduct Local Government elections. Government expects that all such election activity is undertaken on a full cost recovery basis.

The NSWEC commissioned independent auditors to review the current pricing structure and to recommend a pricing structure based on a full cost recovery model. The pricing structure reflects the full cost of providing professional election services.

The pricing structure is as follows:

- NSWEC election management fee of \$195 per hour for staff members;
- Casual staff to be charged at cost with no overhead added;
- Disbursements (printing, postage, ballot papers, etc) to be charged at cost with no overhead; and
- Legal costs to be at Crown Solicitor's invoice with no overhead.

The election management fee includes the NSWEC's costs associated with maintaining an infrastructure to provide election services to councils including maintaining customised local government computer systems, instruction manuals and forms for Returning Officers and candidates, the preparation of training material and seminars for Returning Officers and prospective candidates and our intellectual understanding of Local Government election legislation.

The NSWEC will arrange for the payment of all polling officials engaged by the Returning Officer and clerical assistants who are not full-time employees of the council. In the past this cost has been paid directly by councils.

#### **Cost of the State Election**

We have now completed the March 2007 State election. The cost of the election was approximately \$38.4m. This works out at \$8.79 per enrolled elector.

The Local Government elections do not have the costs associated with a tally room, the Legislative Council ballot paper production, interstate and overseas postal voting, the making of television commercials and the conduct of a large scale media campaign. Local Government elections in 2004 had some 4,500 candidates compared with 900 candidates at the recent State election. This increases the NSWEC's overhead in managing candidates.

In the case of the State election we required 93 Returning Officers. In the case of the Local Government elections we require some 152 Returning Officers. These people have to be recruited and trained.

The full cost of preparing for as well as conducting Local Government elections must be met by councils.

On the basis of the above the NSWEC has estimated that the cost of all Local Government elections will be \$31m. In the case of your council, «ORGNAME», we have estimated that there will be approximately «ELECTORS» electors at the time of the election. This will work out at \$7.14 per elector with a total budget of \$«COST». The reason for providing you with this information now is so that you can allocate an amount of money in your 2008/09 budget for the realistic cost of running elections in your area.

This estimate does not take into account costs associated with mayoral elections, referendums, polls or uncontested wards.

In the next six months a Client Services Officer from the NSWEC will be making arrangements to meet with you and your staff to discuss election services that you consider appropriate for your voters. Naturally this will effect the costing.

I look forward to meeting with you in the near future and for your staff to meet with one of our Client Services Officers in the next six months to discuss election services.

Yours sincerely

Colin Barry  
Electoral Commissioner