

**Submission  
No 65**

## **INQUIRY INTO 2008 LOCAL GOVERNMENT ELECTIONS**

**Organisation:** Hornsby Shire Council

**Name:** Mr Robert Ball

**Position:** General Manager

**Date Received:** 11/06/2009

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Your Reference: F2007/01492  
Our Reference: D01126167  
Related Records: Robyn Abicair  
Contact Person: 8:30am - 5:00pm  
Hours: 9847 6608  
Telephone: 9847 6888  
Fax:

11 June 2009

Ms Cherie Burton MP  
Chair, Joint Standing Committee on Electoral Matters  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

[Electormatters.committee@parliament.nsw.gov.au](mailto:Electormatters.committee@parliament.nsw.gov.au)

Dear Ms Burton

Thank you for the invitation to make a submission to the Joint Standing Committee on Electoral Matters in respect of the Inquiry into the 2008 Local Government Elections.

This submission provides details of the issues which were encountered during the Hornsby Shire Council 2008 Election process. Some of these issues make reference to letters and other documents which were written during the Election period. Those letters and documents are attached and provide more detailed information, as well as showing the frustration that was felt in dealings with the NSW Electoral Commission.

The issues are categorised under four main headings:

- Cost of the Election
- Consultation
- Customer Service
- Other Administrative Matters

Please do not hesitate to contact me if you have any questions or require further information. I am also prepared to further discuss the matters with the Joint Standing Committee if you so desire.

ROBERT BALL  
General Manager

## ISSUES REGARDING THE 2008 NSW LOCAL GOVERNMENT ELECTIONS

### **Cost of the Election**

- Council had been reserving funds each year since the previous election in 2004 to cover the expected cost of the 2008 Election. Council's expectation for 2008 was that the cost would be an increment on the \$375,000 spent on the 2004 election, (estimated by Council to be approximately \$400,000), not a doubling of the amount to \$746,000 (as estimated by the Electoral Commission). The impact of this type of cost shifting to NSW councils along with the State's continuation of their policy of rate pegging creates economic barriers to councils serving their communities.
- One of the factors that supported Council's expectation of the estimated \$400,000 cost was that it unfortunately had to hold two by elections (in December 2006 and February 2007). Council was advised by the Electoral Commission in its letter dated 20 October 2006, that the costs of those by elections would be charged on a "full cost recovery" basis, which was the same basis on which Council was charged in respect of the 2008 Election. The Electoral Commission has still not satisfactorily explained why the cost of those two by elections was significantly less on a per elector basis than was the cost per elector in respect of the 2008 Election.
- As a consequence of the above, Council proposed a motion at the 2007 Local Government Association Conference which read:

*THAT the Local Government Association make representations to the State Government:*

1. *Expressing local government's concern about the "full cost recovery model" proposed by the Electoral Commission NSW in respect of the administration of local government elections*
2. *Seeking to limit the amount charged to individual councils by the Electoral Commission NSW for the administration of local government elections to a maximum of \$4.00 per elector, with annual increases only to be in accordance with CPI.*

A detailed supporting case in respect of this motion is included with Attachment A and should provide useful information for the Standing Committee

- The dramatic increase in the cost of the 2008 Election is considered unreasonable and unjustified. Also, the lack of transparency in respect of the detail of these costs leads local government to question the method of calculation by the Electoral Commission.

### **Consultation**

- In the lead up to the 2008 Election, councils were advised that client service officers from the Electoral Commission would meet with each council to discuss "*the actual election services that the council considered appropriate for its area and for voters*".
- The meeting with client service officers from the Electoral Commission did take place with Hornsby Shire Council staff on 6 August 2007. However, Council staff were simply informed of the services which would be provided. There was no opportunity to discuss whether or not Council believed a particular service was necessary, or whether the cost of a

service was warranted (see further details on this matter in Council's letter to the Electoral Commissioner – Attachment A).

- Following up on an offer previously made by the Electoral Commissioner, a meeting was arranged with the Commissioner and Council staff on Thursday 31 July 2008 to discuss various issues associated with the 2008 Election. When Council staff arrived at the meeting in the City they were disappointed to find that Mr Barry was unable to attend. The meeting did go ahead with other Commission officers. The attitude of those officers was particularly disappointing as they effectively advised that there was no room for negotiation on the services to be provided and the costs associated with such. Their comments included "*We are the experts on elections. We are not justifying our costs.*" (See also Attachment B which is a letter from Council to the Electoral Commissioner.)
- At the above meeting, a request was made for a copy of a document which had been referred to by the Electoral Commission as justifying its costs. Access to the document, which dealt with a review of the Electoral Commission by the Council for the Cost and Quality of Governments, was denied on the basis that it was Cabinet-in-Confidence. Council was dissatisfied with this denial and raised the matter with the Local Government and Shires Associations. The Associations subsequently submitted a Freedom of Information application to the Commission and were eventually provided with access to the document. Based on this particular example, it was difficult for Council to believe that the Commission was being open and accountable about its costs and consultation methods.

### **Customer Service**

- Electoral Commission officers seemed unable to focus on a single contact at our Council, even though they were advised several times of one primary and one secondary contact. Many emails and correspondence were sent from the Electoral Commission to the General Manager, the Mayor and to Council's general email address. Even when Council correspondence was sent from a particular officer, there were many occasions when a response regarding that particular matter was forwarded from the Electoral Commission to a different officer at Council.
- Similarly, in the early stages of election preparations it was necessary for Council to liaise with many different individuals at the Electoral Commission, even when the issues were related. A contact name at the Commission was provided (upon request from Council) but a number of different personnel appeared to be involved at different stages. This caused confusion, and wasted time in re-stating issues and advice. (Refer to comment in Attachment A.)

### **Other Administrative Matters**

- Although the Electoral Commission's web site was informative and useful to prospective Councillors and Council staff, advice relating to the expected dates for completion of vote counting was unreliable. In Hornsby's case, reference would be made to a particular date when results were expected to be finalised, but on the day before that date, the advice of the expected date appeared to change again. This repeated delay and changing of advice of expected count finalisation caused frustration.
- Complaints were received from members of the public that the Electoral Commission office (telephone 1300 135 736) was difficult to contact. We were told that callers could not get through or were unable to leave a voicemail message. This led to them phoning Council

even though they may have contacted Council in the first place and had been advised that they needed to contact the Electoral Commission. This caused confusion in the community.

- Council received a high volume of calls about the Election, both as initial enquiries and as follow up calls. The public seemed to prefer to contact Council, rather than the Electoral Commission – perhaps because it was difficult to get through to the dedicated Electoral Commission office phone line.
- The public generally seemed confused about who to contact. In this regard, there still seems to be a major perception in the community that Council is responsible for running the Election and expected our staff to be able to respond to all their questions and concerns. They were annoyed at being told they needed to contact the Electoral Commission after having phoned Council.
- The postal vote process also seemed to confuse members of the public and was viewed as double-handling. Most voters believed they were being/should be mailed out the actual postal vote forms, not just the application for a postal vote. This also caused issues with timing as most people did not allow enough time to apply for, receive, and then submit a request for postal vote then go through the same process for the actual form.
- At one stage, Council officers had to deal with many calls about the Election because there was an issue with the Returning Officer's contact mobile phone number. As that mobile phone was not working, and no one from the Electoral Commission realised this for a couple of days, many messages were being left but not being responded to. People obviously decided to ring Council instead.
- Complaints were received from members of the public that there were a limited number of places where pre-poll voting could be undertaken.
- Comments were also received regarding the hours that the polling booths were open and that they should have been open longer. One couple apparently arrived to vote at 5.55pm but were told they were too late to vote. This is despite the polling station supposedly being open till 6.00pm. When the couple made this comment to the officer, they were told that it was too late, the staff were packing up, and the couple should go home.
- Complaints were also received regarding polling booths in relation to: long waits in the queue; lack of staff marking off names; inadequate parking; poor accessibility for the elderly e.g. long distance to walk from the car to the polling booth/lack of provision of disabled parking spaces; lack of chairs/seating available. It was suggested that elderly people who have reduced mobility, though are not seriously disabled, be allowed to use the postal vote facility.
- Advice regarding the Election appears to have been too limited. Many people claimed they were unaware of the Election, stating they did not read the local paper and did not receive the brochure sent out by the Electoral Commission.
- In respect of the election brochures, Council staff were initially involved but once a draft had been prepared were advised that no changes could be made. This resulted in many complaints that the printing on the brochures – particularly the list of polling booths – was too small and could not be read. (Also refer to comment in Attachment B).
- The billing process to Council included double handing. For example, Council was required to provide the Commission with a cost for rental of the Returning Officer's accommodation,

even though it was a Council owned property. The reason given was so that it could be included in the Commission's invoice to Council. Unfortunately Council was then required by the Commission to invoice them for reimbursement. Surely this could have been handled in a more efficient manner.

- In our dealings with the Returning Officer it appeared that there was frustration in the amount of training required to be undertaken by staff employed for the returning office who were already experienced in recent elections. This potentially incurred more costs for Council than may have otherwise been required. There also appeared to be issues associated with the preparation of the voting forms prior to their transportation to the Counting Centre. Council understands that the Returning Officer may make her own submissions in respect of these and other matters.
- An example of a particular inefficiency in administrative and communication practices that Council had to deal with is provided below:
  - The Electoral Commission sent a survey regarding Returning Office furniture needs to Council in February 2008 - furniture requirements depended on the size of the Office site
  - The size of the Office required for the 2008 Election suggested by the Electoral Commission was roughly four times the size of the site used for the previous election in 2004 (which had been deemed suitable for that election). Had Council accepted the increased size requirement, additional and unnecessary cost would have been incurred.
  - Council was advised that the final Office site must be determined by the Returning Officer and that site accommodation was to be available from 1 July 2008
  - Official advice in respect of Hornsby's appointed Returning Officer was only provided on 8 July 2008, despite verbal advice having been received in April from the Electoral Commission
  - Prior to the official notification to us of the Returning Officer from the Electoral Commission, the Returning Officer was told not to contact us directly
  - Final decisions regarding site selection and furniture requirements needed to be made by the Returning Officer. It would appear an impossible task to meet the required timelines imposed by the Electoral Commission (ie February for furniture and 1 July 2008 for the site) given that the Returning Officer wasn't officially advised to Council until 8 July 2008. This seems particularly inefficient when both the Electoral Commission and the Returning Officer were aware of the allocation of Returning Officer to Council in April 2008. Such arrangements resulted in wasted time, confusion, frustration, and increased deadline pressure. This would have been particularly difficult, and result in additional costs, had it been necessary for Council to source the Returning Office site externally.

Your Reference: 2007/1070  
Our Reference: F2007/01492  
Related Records: D00912266  
Contact Person: Gary Bensley  
Hours: 8.30am - 5.00pm  
Telephone: 9847 6605  
Fax: 9847 6888

10 June 2008

Mr Colin Barry  
Electoral Commissioner  
NSW Electoral Commission  
GPO Box 832  
SYDNEY NSW 2001

Dear Mr Barry

### **BUDGET FOR THE 13 SEPTEMBER 2008 LOCAL GOVERNMENT ELECTIONS**

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Reference is made to your letter of 8 May 2008 in which you provided a revised budget estimate for the cost to Hornsby Shire Council of the 13 September 2008 local government elections.

In the letter you state that *"...considerable consultation and work have taken place between your Council and the New South Wales Electoral Commission (NSWEC) to clarify the election services to be provided to voters in your council area..."*.

Additionally, in an earlier letter dated 18 June 2007 you indicated that *"the NSWEC will be making arrangements to meet with you and your staff to discuss election services that you consider appropriate for your voters"*.

Whilst a meeting did take place with your staff, Council was informed of the services which would be provided by the Electoral Commission in respect of the election. No opportunity existed for Council to present that it believed a service was either unnecessary or that the cost to be incurred for such service outweighed the benefit. It appears that an assumption was made by the Electoral Commission that all services are required by all councils and they, therefore, have no choice but to accept the service and pay for it. I do not agree, therefore, that consultation took place and fear that councils across NSW are being over-serviced.

As offered by you, I did ask your officers to arrange for me to personally meet with you about this issue but, to date, no response has been received.

In respect of potential over-servicing, my staff have advised me that in dealings with the Electoral Commission regarding the September 2008 election, they have had contact with no less than nine different personnel even though the dealings were in respect of only four different issues. On the surface, this would seem to be an inefficient use of resources and is not good customer service. It also adds to the costs being incurred by the Commission which will be passed on to councils.

Your revised estimate for the cost of the election differs only marginally from the original estimate provided to Council in June 2007. It would appear, however, that the revised estimate does at least now include the cost of a Mayoral election, which was not included in the original estimate. I trust this to be the case as your letter states “.....*The budget estimate has been prepared on the basis of best information known as at April 2008.....*”.

Although you claim that the attachment to your letter is a “*detailed budget estimate*”, it is clear that this is not the case. A detailed budget estimate should provide Council with enough information to understand why it is expected to be charged an amount for a specific service and how it has been calculated. The meaning of many of the line items is unclear to Council and requires explanation and justification. Some examples include:

- Project Management (\$5,330)
- Performance Evaluation & Reporting, Candidate Support, Legal (\$11,070)
- NSWEC Administration Fee (\$57,440)
- Equipment & Materials (\$64,770)
- Returning Officer Accommodation (\$24,590)
- Equal Access to Democracy (\$5,250)
- Elector Info Campaign – NSWEC Campaign (\$21,820)
- Elector Info Campaign – Brochure (\$37,260)
- IT Infrastructure (\$37,590)
- IT Personnel (\$17,870)

In respect of Returning Officer accommodation, Council has indicated, via a response to a survey from your office, that the premises identified as most suitable were owned by Council and as such “*it would be anticipated that no rental would be incurred*”. It appears that this information has either been overlooked or disregarded by the Electoral Commission and accommodation costs remain included in the estimate.

With regard to the Brochure, Council has recently been provided with a copy of the document which will be forwarded to all households in the shire. Could you please provide me with a detailed quotation for this work, including design, setting, printing, distribution and any on-costs.



As a consequence of the above, I would appreciate more detailed information being provided in respect of all line item estimates in the attachment to your letter. I have a responsibility to my Council and to its ratepayers to justify why the costs of election have increased from \$375,659 at the last election in March 2004 to over \$700,000 for the September 2008 election. Such an increase is extraordinary, noting that rate increases for NSW local government councils for 2008/09 were capped by the State Government at a 3.2% increase over that raised in 2007/08.

Some of the increases in costs have been explained by your officers as a result of a review undertaken by the NSW Auditor General, but a request by my staff for access to this document has been denied. This hardly could be indicative of a Commission which is open and accountable to local government – its client.

As previously stated, I would appreciate the opportunity of meeting with you personally to discuss the detail of my concerns. I am happy to attend your office or alternatively you are welcome to visit Hornsby Shire Council.

For your information, I have also included a copy of a supporting case for a Council-sponsored motion at the 2007 Local Government Association Conference. That motion was that the amount charged to individual councils by the NSWEC for the administration of the 2008 local government elections should be a maximum of \$4.00 per elector, with annual increases for future elections only to be in accordance with CPI.

I hope you appreciate that I firmly believe that Hornsby Shire Council has been informed of services to be provided, has had almost no involvement in choosing what services to offer its electors and has received inadequate information in relation to the cost of services to be imposed by the Commission. This is unsatisfactory and deserves special attention.

Your early response would be appreciated.

Yours faithfully

ROBERT BALL  
General Manager

**Council's Detailed Supporting Case**  
**2007 Local Government Association Conference Motion**

Hornsby Shire Council has received advice from the Electoral Commission NSW (NSWEC) that following a recent review of the NSWEC's pricing structure for local government elections by an independent auditor, the NSWEC will be seeking "full cost recovery" from councils in respect of all future local government elections.

The reviewed pricing structure is intended to reflect the full cost of providing professional election services and is based on the following:

- NSWEC's 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
- Legal costs to be charged at Crown Solicitor's invoice with no overhead

The election management fee referred to in the first dot point above 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 the NSWEC's intellectual understanding of local government election legislation.

In Hornsby Shire Council's case the NSWEC has advised that the "full cost recovery" for the 2008 election is estimated at \$747,400, exclusive of any costs associated with a Mayoral election. This equates to a cost of \$7.14 per elector for Council's 104,677 estimated electors at 2008, and compares to an actual cost to Council in respect of the 2004 election of \$375,659 (ie approximately \$3.75 per elector based on 100,000 electors), which included a Mayoral election.

Since the 2004 election, the NSWEC has conducted two by-elections on behalf of Hornsby Shire Council; one in December 2006 and the other in February 2007, each for the election of one councillor for one of Council's three wards. The final estimate of costs provided by the NSWEC in respect of the December by-election was \$135,595 (inclusive of GST) which equates to approximately \$3.98 per elector. This estimate was calculated according to the NSWEC's "full cost recovery" pricing structure.

Even if the cost of a by-election for one ward (as estimated by the NSWEC in respect of running the by-election in December 2006) was extrapolated over Council's three wards (ie not allowing for any economies of scale that should be achieved over three wards), the cost of running a full election should not exceed \$400,000 (exclusive of a Mayoral election). This would indicate that the NSWEC's estimate of \$747,400 for 2008, exclusive of a mayoral election, is excessive and will lead to a significant over collection by the NSWEC from local councils in respect of the 2008 elections.

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Given that both Council's and the NSWEC's figures have apparently been calculated on the same "full cost recovery basis", an explanation is needed as to why there is such a significant difference between Council's extrapolation of costs and the NSWEC's estimate for the 2008 election.

An explanation, based on the NSWEC's advice, appears to be that it is to cover the NSWEC's ongoing maintenance and management of election resources between elections (at the management fee rate of \$195 per hour advised by the NSWEC). If this is correct, the NSWEC has estimated that 1,781 hours of their staff's time is required to cover the maintenance/management between general elections at Hornsby (refer to table below). It should be noted that Council's extrapolation of costs in arriving at the \$400,000 estimate already includes 300 hours of NSWEC staff time to directly manage the 2008 general election.

NSWEC's estimate for Hornsby's 2008 election	\$ 747,400
Hornsby's estimate for its 2008 election (based on extrapolation from recent ward by-elections)	\$ 400,000
Difference in estimated costs	\$ 347,400
NSWEC's rate per hour for election management fee	\$ 195
Number of hours of election management for Hornsby	1,781 hours

Based on the above calculation; assuming that there are 4,368,600 electors in NSW (calculated by using figures contained in the NSWEC's advice); and that all councils will be charged on a similar basis to Hornsby, the total number of person hours that the NSWEC is claiming as being required to manage their infrastructure between elections is:

No. of electors in Hornsby	=	104,677
No. of hours per elector for Hornsby	=	no. of hours divided by no. of electors
	=	1,781 / 104,677
	=	0.017 hours per elector
No. of hours of NSWEC time for 2008 local government election	=	no. of hours per elector multiplied by no. of electors in State
	=	0.017 x 4,368,600
	=	74,266 hours

This equates to approximately 40 person years of work *between* elections, ie 9-10 persons working full time in the NSWEC on NSW local government elections at a cost of approximately \$14.5 million. This appears to be another example of significant cost shifting from the State to local government.

The cost estimated for the 2008 election has been provided to councils without adequate notice. Most councils are likely to have reserved money each year over a four year period to provide funding for elections every four years. The estimated cost of the 2008 election is much greater than Hornsby Shire Council has provided for in its budgeting process, which was based on the total cost of the 2004 elections (which included a Mayoral election), with allowances for increases in elector numbers and movements in CPI.

Based on the cost of Council's recent by-elections it is considered that the amount charged to individual councils by the NSWEC for the administration of local government elections should be a maximum of \$4.00 per elector, with annual increases only to be in accordance with CPI.

Your Reference:  
Our Reference: F2007/01492  
Contact Person: Mr Robert Ball  
Hours: 8.30 am – 5 pm  
Telephone: 9847 6604  
Fax: 9847 6990

22 August 2008

Mr Colin Barry  
Electoral Commissioner  
NSW Electoral Commission  
GPO Box 832  
SYDNEY NSW 2001

Dear Mr Barry

Reference is made to Council's meeting with officers of the Commission on Thursday, 31 July 2008.

I am sorry that you were unable to be present due to illness.

At our meeting I repeated Council's request for access to the reviews of the Commission and the election process undertaken by the Auditor General and the Council on the Cost of Government. Could you please advise whether Council will be granted access to these documents.

I was disappointed with the approach taken by your officers in advising me, words to the effect:

*"We are the experts in elections. We are not justifying our costs"*

Council had two by elections in 2006 and 2007, which, when the costs are extrapolated to a full election, show an increase of almost 100% for the estimated 2008 ordinary election costs. This increase has not been explained.

There has been no real consultation with Council with regard to the provision of election services and this approach has not assisted Council in ensuring that its ratepayers receive value for the substantial investment anticipated in the forthcoming elections.

Subsequently, I have noticed that the election brochure to be distributed shortly to Hornsby A Ward residents contains small print detailing polling place locations. This is definitely inadequate and should have been addressed by your officers. Could you please explain why this has been permitted to occur?

It is also noted that the brochures for all Wards makes reference to polls and referenda. This should have been removed at minimal cost as I am sure many councils in NSW are not conducting polls or referenda.

Council continues to express its concern at the excessive estimated cost for the forthcoming election and the reluctance of the Commissioner to address local governments' concerns.

Yours faithfully

R J BALL  
General Manager