

Our Ref: OUT – 16694 R06/0036

2 December 2008

The Hon. Nathan Rees
Premier of NSW
Minister for the Arts
Governor Macquarie Tower
Level 40, 1 Farrer Place
SYDNEY NSW 2000

Dear Mr Rees

Request for Parliamentary Inquiry into the Cost and Conduct of 2008 Local Government Elections

We are writing to request an urgent review of the recent local government elections conducted by the NSW Electoral Commission.

The Associations had previously requested that the former premier instigate an IPART review in relation to the costs and conduct of the elections. This, however, was denied.

In his response at the time, the Premier pointed to issues of transparency and state-wide consistency in ensuring the good governance of Local Government elections. (Councils are well used to the scrutiny of the NSW Government, and indeed, by ratepayers on an ongoing basis.)

In the same vein the Associations, on behalf of councils and ratepayers, suggest that the same standards of transparency and consistency should apply to the NSW Electoral Commission. For instance, the NSW Electoral Commissioner previously informed the Associations that an independent review had been undertaken in regards to the NSW Electoral Commission's estimated costs. However, it proved difficult to obtain a copy of the report and the Associations were obliged to lodge an FOI application with the Commission.

The Associations were then required to lodge an FOI application with the Department of Premier and Cabinet in order to obtain the 2005 review undertaken by the NSW Council for Cost and Quality of Government.

As an independent authority, who have been deemed to be the statutory authority charged with the responsibility to conduct elections, the NSW Electoral Commission are a monopoly that have not been subject to the scrutiny of an independent authority in the same manner as other state owned monopolies.

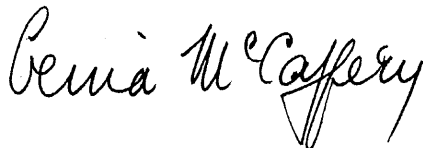
Equally concerning are the issues surrounding the costs of the elections, the methodology of which remains clouded. As you are well aware, local government is under increasing financial pressure. An IPART review on Revenue Framework of Local Government is underway and an Issues Paper released in July this year acknowledges that regulations on rates and charges are having a negative impact on local government's capacity to provide essential services to communities, highlighting the need for the NSW Government to confine cost impositions and service movements and provide local government with funding for the communities they service.

In making the request, we ask that the following issues are considered:

1. NSW Treasury were allowing councils in financial stress the ability to spread the costs of the elections over two years, an offer Premier Iemma supported. However the Associations have been advised that these applications are now being denied by the Electoral Commissioner, apparently on the advice of the Department of Local Government.
2. The full independent review of local government election pricing commissioned by the NSW EC is dated 10 July 2008, reinforcing our concerns that the review was conducted well after the budget costings were sent to councils in June 2007.
3. The report has intrinsic deficiencies, the first and most obvious being that the "review of the costing model did not include an audit of all the data used in the model..."
4. Further, the 'Performance Review' undertaken by the Council for Cost and Quality of Government provided is generalist and makes only specific statements about local government contributing to electoral roll costs. This is contrary to statements made by the Commissioner, Mr Iemma, and the Hon. Paul Lynch, MP, previous Minister for Local Government.

The Associations believe that a Parliamentary Inquiry is now the only adequate response to properly address the issues that councils face, to provide councils and ratepayers transparency of the costs and conduct of the 2008 elections, and to ensure the good governance of the 2012 elections.

Yours sincerely



Cr Genia McCaffery
President
Local Government Association of NSW



Cr Bruce Miller
President
Shires Association of NSW