TRANSCRIPT

STANDING COMMITTEE ON THE ENVIRONMENT AND PLANNING

Inquiry into rate capping policy

Melbourne — 21 June 2016

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Mr Keegan Bartlett (affirmed), Program Manager, Local Government and Fee for Service, and
Ms Liz Williams (affirmed), Deputy Electoral Commissioner, Victorian Electoral Commission.
The CHAIR — I declare the hearing of the Standing Committee on the Environment and Planning open with respect to rate capping and the impact of rate capping. I welcome the Victorian Electoral Commission, Liz Williams and Keegan Bartlett. I ask Liz Williams and Keegan Bartlett to present to the committee briefly. I think you are aware of our terms of reference, and you are probably aware that we have received a fair bit of evidence that there is an impact in terms of election costs on local government.

Ms Williams — Thank you, Chair, and thank you for the invitation to speak with the committee today. The Electoral Commissioner sends his apologies. He is interstate so was unable to make it. I am joined by Keegan Bartlett, as you said, who leads the VEC’s local government program. I will begin briefly by introducing the VEC, recent changes to core functions and our preparations for the local government elections 2016. I will then hand over to Keegan, who will quickly update you on our costing methodology.

As you will be aware, the VEC is established under the Electoral Act 2002. We are an independent and impartial statutory authority. We do have a relationship with the Special Minister of State and the Department of Premier and Cabinet but, that said, we report directly to Parliament and the Electoral Matters Committee. The core functions of the VEC obviously are to conduct elections for the state Parliament and Victoria’s 79 councils, and we do conduct certain community and statutory elections and polls. We maintain the Victorian register of electors. We conduct electoral representation and subdivision reviews for local councils, and the Electoral Commissioner is also a member of the Electoral Boundaries Commission in conducting state redivisions. One further responsibility we have under the Act is to increase awareness of democracy and elections throughout Victoria.

The VEC has provided electoral services to the local government sector for many years and has been the only provider since 2003 in Victoria, and until now the VEC has responded to tenders or requests for quotation for electoral services from councils. The Local Government Amendment (Improved Governance) Act 2015 changed the electoral arrangements for Victoria’s local councils. That took effect in March this year. That piece of legislation prescribed the VEC as the agency responsible for local government elections. It clarified arrangements for the preparation of the voters roll and enforcement of compulsory voting post-election. It also clarified the powers for the VEC and returning officers in relation to candidate management.

The VEC understands these changes were stage 1 of the government’s review into the local government legislative framework. Despite the change in legislation to make VEC the statutory service provider, the VEC has not changed the principles it applies to its costing methodology. I will expand on these principles in a moment, and Keegan will go through the costing methodology in more detail. But fundamentally the VEC only passes on the marginal costs incurred by the VEC in providing electoral services to councils.

The cost per voter varies across councils. For the 2016 elections $4.58 per voter is what the largest council will pay, and the smallest council will pay around $20.80 per voter. The smaller councils do not have the same economies of scale as the larger councils, and so the establishment costs are a much larger fraction of the total election cost for them.

Planning: the VEC began planning for the local government elections soon after the 2014 state election, and in planning for those elections the principles that we apply are to keep a local focus in conducting that election for each council and keep costs to a minimum but at the same time not compromise integrity. We developed a draft service plan, which we released in September 2015, which provided councils with an indication of the services that we will provide for their 2016 elections.

We conducted a number of consultation sessions across the state in October 2015 and asked for feedback from councils in that regard. Then the final service plan was released in December last year, and it was provided to councils at that time with an estimate of what their costs for the 2016 election would be, using the 2012 election parameters. We then engaged earlier this year one on one with councils in January and February and fine-tuned their election parameters for 2016 and prepared formal quotes using our costing application, updated parameters and incorporated them into a service level agreement. They were dispatched in March. So I will just ask Keegan to go through the process we go through in compiling costs for councils.

Mr Bartlett — So, as the deputy commissioner introduced, the VEC’s costing application for local government elections is set up to recover only marginal costs. Marginal costs in this respect are costs that are directly attributable to an election, where the VEC would not incur that cost in any other way if it was not conducting that particular council’s election. It also refers to the recovery of a statewide support program, with...
costs apportioned across the state by enrolment. Because a number of assumptions are made to prepare the quote that is contained in the electoral service agreement — these assumptions are final electoral enrolment, the number of candidates and the level of candidacy. The electoral service agreement, or the service level agreement, also includes a list of qualifications and prescribed variations that are applied at invoicing. So, for instance, while we might invoice, if an election is uncontested, we would take that off by the figure identified in the variation document.

Even within marginal cost recovery, however, the Electoral Commissioner has looked for opportunities for VEC to reduce costs involved with the statewide support program. Costs for the returning officers and deputy returning officers to attend training will not be recovered at the 2016 local government elections, and only 50 per cent of the cost of our contract and casual head office support staff, who are recruited specifically for the council election program, is being passed on to the sector.

Nevertheless, there have been significant cost increases. Australia Post postage rates have increased, and the VEC has had to move to Australia Post’s priority mail service for the dispatch and return of postal ballot envelopes, with targeted delivery rates with that priority mail service that at best matched the 2012 standard mail service. IT and telephone infrastructure: the implementation of the NBN and the gradual removal of the copper wire services that had previously been used by our election offices has meant that the VEC has needed to look at establishing BDSL data connections — so a higher cost service from Telstra — and installing them at our local election offices.

Having said that, we do negotiate with these key suppliers — Australia Post and Telstra — and negotiations with Telstra since the estimates were produced in December 2015 have resulted in significantly reduced BDSL install rates. So we have been able to negotiate that rate down. The cost of installing a BDSL connection in western Victoria is the same as installing on Collins Street under our contract with Telstra.

Rates of pay for election staff: the election staff rates of pay are linked to rates that are set in the Victorian public service enterprise agreement, and increments are applied accordingly. That arrangement has come into play since the 2012 election, and of course the gradual increments that have been applied through the determinations and now the new enterprise agreement that has come into place for the Victorian public service will be reflected in those election staff rates of pay.

Also, election office establishment — so this is the cost of actually installing and establishing a local election office — is most significant for those smaller councils that were previously involved in a hub satellite election office configuration. The VEC has moved away from that arrangement where so council will have a local election officer for the duration of the election time line. Previously in some councils, those in country and rural Victoria, the election office has been a part-time establishment for approximately two and a half weeks of the election time line.

Compulsory voting enforcement has also been a fairly significant cost increase. Where it has previously been optional for councils to engage the VEC to conduct compulsory voting enforcement, now it is an activity that is required under the Local Government Act. Non-voter follow-up costs are also affected by increases in postage, staffing rates of pay and also of course increases in enrolment that have occurred across the state. The activity also now includes a contingency for prosecutions with the Magistrates Court, which have not previously been costed or part of the VEC’s compulsory voting enforcement program.

On the other hand, there is a significant residual cost saving in that prosecution activity being performed by the VEC. As the VEC is a state government agency, it is exempt from the lodgement fee with the infringements court, which has previously been an activity performed by councils that have chosen to prosecute the non-voter file. I understand that for councils, had they been performing that activity, it would be $54.40 per record, and some councils have upwards of 4000 or 5000 records on that final non-voter file. So that is a significant residual cost saving that cannot be seen in the costs that we are talking about today.

The VEC’s costing application, where we identify these marginal costs, has recently been audited, and the view reached by the auditors was that it accurately and fairly captures marginal costs. The two recommendations arising from the audit were around the VEC’s procurement process and expanding the ex post facto adjustments for invoicing, so what we invoice — the actual situation to what we invoice when it comes to invoicing councils. Both of these recommendations have been accepted and will be implemented as we can.
Overall, if we remove the impact of postage increases and the additional compulsory voting enforcement responsibilities arising from changes in legislation, we have seen an average cost per voter increase of 7.8 per cent since the 2012 local government elections.

Ms WILLIAMS — If I could just add, throughout the costing activity that Keegan has just outlined, we have also provided updates to the Municipal Association of Victoria in the lead-up to these elections, as well as to the Minister for Local Government. We are happy to respond to any questions.

The CHAIR — All right. Can I thank you for that. That is a lot of detail that we have been seeking. Certainly councils have indicated the cost that they have felt as they have been quoted, as it were, and we have not known the make-up of all those costings, so that is a very comprehensive point. I have a couple of short questions. The statewide support program, what was the cost of that?

Mr BARTLETT — The cost of it?

The CHAIR — Yes. You may not have that here now. If you do not, that is okay.

Mr BARTLETT — We may have to extract it from the information, so we can — —

Ms WILLIAMS — If we can take that on notice and get back to you.

The CHAIR — Yes. That is absolutely fine. Just to understand, in other states, is it the case that their equivalent of the VEC is, as it were, a monopoly provider? Is that the normal situation around the states? Do you know an answer to that question?

Ms WILLIAMS — Yes. In most states that is the case. There are different costing arrangements that apply in other states. For example, I know New South Wales has a full cost recovery model; I think Western Australia as well.

The CHAIR — Do you have a document that provides that information?

Ms WILLIAMS — We can provide a document. In terms of the responsibility for local government elections across Australia, we can do that.

The CHAIR — That would be actually very helpful indeed. Just to reiterate the figures that you have said, Keegan: $4.58 per voter in the large municipalities, $20.80 per voter in the smaller municipalities, and that is separate from establishment costs, is it?

Mr BARTLETT — That is inclusive.

The CHAIR — Inclusive of establishment costs; that is what I was interested to know.

Mr BARTLETT — Yes, Chair.

The CHAIR — There was one more that I had here. Just in terms of those comparisons interstate, are these costs comparable to the other states? We do not quite know.

Ms WILLIAMS — Well, I would have to take that on notice as well. But, for example, the cost per elector at a state election is around about $11 or $12 per elector overall — on average.

The CHAIR — Okay. The aspect of the roll relating to businesses and non-state electoral roll voters, do you maintain that or is that done by the councils?

Ms WILLIAMS — That part of the roll is maintained by the councils, but we work closely with councils in the lead-up to the election to extract that data from them, and then we are responsible, except for Melbourne City Council, for putting together the voters roll, which is a combination of the state-entitled electors, residents, and the council component of the roll.

The CHAIR — Is that roll publicly available? With the state roll, for example, you can walk into your office and, aside from silent voters, you can actually see who the voters are.
Ms WILLIAMS — There will be a process where those who wish to inspect that combined voters roll can do so for the election period.

The CHAIR — When does that appear before the election time?

Ms WILLIAMS — The dates?

Mr BARTLETT — The law was changed last year to remove that exhibition function. Previously that arrangement was in place, where the voters roll for a council was available for inspection prior to the entitlement date — in the five working days prior to the entitlement date. That change to the act last year removed that ability for people to access it.

The CHAIR — Ability or requirement?

Mr BARTLETT — To make the voters roll available for inspection has been removed from the Act.

The CHAIR — So it can occur or it — —

Mr BARTLETT — It was removed for a number of reasons, and I am reading into the intent of the legislation, but it was removed — particularly I recall the issue about privacy of that information. I remember from the 2012 council elections the registrar — 78 councils went to election in 2012 and for 77 of those councils the registrar was the registrar for the state voters roll at the VEC, and I suppose the intent of them being available for inspection was for people to contact the registrar and identify any errors or omissions in those rolls. There was no correspondence received on that level, but there were also a number of exhibition rolls that were available for some councils which were removed from their location during that exhibition period because of course the information that is available in that could be used for other interests as well. So I guess it did not necessarily meet its intent and we are mindful of that, but it is just not a requirement in the legislation.

The CHAIR — But it can occur now, or it cannot occur?

Mr BARTLETT — The publication of the voters roll was quite specifically prescribed under the Act — and the availability of the roll.

The CHAIR — It is not now, but can it be made available publicly?

Ms WILLIAMS — Individuals can check their own enrolment up until entitlement day, and there will be a mechanism for them to do that. Once the roll is certified, it can be made available for people to view in an election office, so they can check in the election office once it has been certified. At that point we are in the election period. Certainly candidates have access to a copy of the voters roll for campaign purposes, for example.

The CHAIR — Thank you.

Ms SHING — Thank you very much, Ms Williams and Mr Bartlett, for your evidence and the materials you have provided to the committee and also the answers that you have given to the committee to date. I would like to go back again to what the Chair has indicated as one of the issues around cost per vote, the variation there that is pretty significant — $4.58 to $20.80, which includes establishment costs — and the way in which we have had evidence from various councils around increases to costs. The MAV has indicated an increase of 30 per cent in costs from 2012 to 2016, and there are various councils that have also expressed positions around increases of between 7 per cent for the Moyne Shire Council and 35 per cent for Banyule City Council.

One of the things that is associated with driving these cost increases is the way in which we communicate, the way in which residents understand the processes and technology and the technological requirements there. To what extent does the VEC provide assistance to local councils on how to manage costs and how to minimise the financial increases and imposts to councils as a consequence of the election process?

Ms WILLIAMS — We work with councils in terms of the arrangements that can apply for their particular election, and really there is not a lot of variation — the product that we provide to one, we provide to all. In relation to what drives the cost increases up and down from one council to the next, as you said, the larger councils have larger enrolments, so when we look at the total cost for this election of the elections we work with
councils on: have they got a space, for example, that we can run the election from, or do we need to go and find a commercial space? Depending on local circumstances, that is a significant cost variation.

By and large, there are not a lot of products that are more or less expensive than the others. We have pitched a consistent product across all, keeping costs to a minimum but ensuring that we meet all the legislative requirements for each election and ensuring that people are aware of the election. Our statewide information campaign, for example, is pitched at a very moderate level where we hook into radio, not TV, which is expensive. We are really looking to keep all of those costs down.

That big variation between the larger councils and the smaller councils is very much around voter numbers. A small council has to have a returning officer, it has to have a place where the election is conducted, it has to have some sort of communication with that office, but they have only got a small number of — —

Ms SHING — The economies of scale.

Ms WILLIAMS — The economies of scale are not there. When you look at a council like Casey, it has much larger economies of scale. Really the product is very consistent across all councils. The biggest variation would probably be around the office accommodation.

Ms SHING — Mr Bartlett, did you have anything to add to that?

Mr BARTLETT — You mentioned the Banyule City Council.

Ms SHING — Yes.

Mr BARTLETT — Of course, that uses an attendance method of voting, so that is another significant variation. If you compare Moyne, as you mentioned, to Banyule, you have got two different methods of voting between those two councils.

Ms SHING — What role does technology have? We have referred to the NBN and to changes to technology and the availability of information, but as far as proposals that the VEC may be considering to streamline and to facilitate a smoother voting process as part of council elections.

Mr BARTLETT — A voting process?

Ms SHING — Yes.

Ms WILLIAMS — As a voting process we just roll out what we can under the current legislation. For attendance elections, for example, I understand that the regulations that are being put forward at the moment are looking at online postal vote application facilities, so things like that.

Ms SHING — That is the sort of thing that I am referring to. In terms of the way in which they might drive a positive change in terms of the way in which costs are incurred, I assume that is part of the way in which the VEC is considering overall positive progressive reform as technology becomes more available and streamlined.

Mr BARTLETT — Absolutely. And if we also take it on the statewide communication program, that high-level communication activity, there is the increase in social media that the committee will be familiar with. Our statewide communication program as a dollar value has not increased since 2012. We have not put any more real money into that budget. But what we have done is to work with our media buyers to really harness social media, which tends to be cheaper media as well. We are looking at those opportunities to use technology for communication, particularly with the varying levels of coverage of local newspapers and of course the varying levels of interest that local newspapers have in their local elections as well.

Ms SHING — One last question in relation to the improved governance bill and the way in which that is intended to formalise the longstanding role of the VEC in terms of being a provider for election services to councils: has this had any impact in terms of decreasing overall costs or facilitating better planning around the way in which costs are incurred?

Ms WILLIAMS — It certainly has assisted with the planning. The procurement process that individual councils — in some cases they used an agent to facilitate that procurement previously — used to happen in
various timing phases. So for example, in 2012 we did not have all contracts in place by this time in the lead-up to the election. So the change has enabled us to talk to councils and put service level agreements in place in a more consistent path to the election.

**Ms SHING** — And removing that tender process that councils — —

**Ms WILLIAMS** — And removing that tender process. I expect that there are possibly some savings from the council side in terms of needing to go through that administrative process as well.

**Mr BARTLETT** — And it is certainly invaluable from my perspective as well. My team has recently been out meeting with councils one on one. We have been doing that through May and June, and we will continue with those meetings. It is to brief them on the election service program for what we know, one on one, and to introduce their returning officer that has been selected for their election. But previously those meetings have had to wait until — we have not been able to talk to councils during that probity period while we have been subject to the tendering. And during that period of course the election planning has to continue and some critical decisions have to be made by the VEC and some critical activities have to be performed by council in relation to the compilation of the voters roll — on their part of the voters roll. What it has meant is that we can have that dialogue earlier on and have those key parameters and be working with councils on refining that service earlier on, when we have previously been subject to the tendering prohibitions.

**Ms SHING** — Are councils proactive in coming to you around the issues that they identify?

**Mr BARTLETT** — They are. We have got a good relationship with councils, and that has been developed over a long period of time.

**Ms SHING** — Great. Thank you very much for that.

**Ms TIERNEY** — In the discussions you have been having with local councils, have they been able to provide some examples of how they think they will be able to have more cost-cutting activity, and if so, are they examples that can be applied across other councils?

**Mr BARTLETT** — Is that in relation to their elections?

**Ms TIERNEY** — Yes.

**Ms WILLIAMS** — The reason we released our service plan in September last year was so it was clear to all councils how we intended to provide services to them for their 2016 elections, and we got very little feedback from councils in relation to that, even suggestions for how we might do things differently. I think generally councils were accepting of the plan that we put out there. Keegan may have more information from his meetings with councils, but I am not aware of any particular suggestions where they believe we can do it more cheaply.

**Mr BARTLETT** — I think one thing we will refine in those face-to-face discussions with councils in relation to their election services is — I mentioned this very briefly moments ago — the coverage of local newspapers. For some councils, because the coverage of local newspapers simply is not there, in order to get that municipal-wide coverage that we are required to, or the expectation is in the legislation, we have to look at papers like the *Age* or the *Herald Sun*. The expense of advertising in those publications and I guess the value gain are quite different. So what we have done is we have been able to work with councils and say we will focus our communication activities on the local newspapers and we can communicate with those outlying neighbourhoods that may not be covered by those local newspapers in other ways, like engaging with community newsletters, which do not necessarily publish according to a statutory time line that we need so we will go with the *Age* or the *Herald Sun*, but in doing that we will talk to the council about, ‘Is there value in having a display ad, for instance, which is several thousands of dollars for each ad, compared to just a public notice line ad for compliance?’ Because I guess the impact of that message, whether it is printed in the *Age* as a display ad or printed as a public notice, would be fairly limited; it is simply about making sure that that aspect is compliant, and we can reach out to the community that is not covered by the local paper in other ways.

**Ms TIERNEY** — So you have a register of community newsletters?
Mr BARTLETT — We do, and we access the peak body as well.

Ms TIERNEY — With the movement towards social media, what efforts are being taken to ensure that older residents and people with disabilities know the information that you are putting out?

Ms WILLIAMS — I will take that. Our information program is very broad, we have been able to use social media as a stronger element — it is cheaper — but we also will continue other communication channels like radio, and media releases will go to local papers, and in fact all of the voters will receive some information from the VEC. It will either be their ballot pack mailed directly to them, or in the case of attendance elections we are required to send out a voter notice that informs voters that the election is on and what their options are for voting in that election.

Ms TIERNEY — I am assuming you also deal with CALD communities through various newspapers?

Ms WILLIAMS — Absolutely.

Ms TIERNEY — Thank you.

Ms DUNN — Thank you for your presentation today. I am just interested in understanding — the information we have indicates that postal elections have a lower cost than attendance voting — just what is influencing those costs in terms of attendance and why they are more.

Ms WILLIAMS — Based on our 2016 estimates, attendance — you are right — is more expensive. That is on average around $7.32 per voter whereas postal is about $6.43. Obviously postage has an impact on both election types, because we do have a requirement even for attendance elections to send a voter notice to all electors, but the attendance elections also have a more significant staffing cost, because you do need to staff the voting centres that are established on election day, as well as the hire of those particular venues.

Ms DUNN — Can I ask — I know you touched on this a little bit with Harriet’s question around how councils can perhaps save money on their postal voting if they have got space to provide an office space for you — are there any other things that councils can do to reduce the cost of elections to them from your perspective?

Mr BARTLETT — It is a tricky question, Ms Dunn, because I suppose the VEC is at arm’s length in conducting this service, and necessarily so. In fact councils are generally appreciative of the fact that the VEC conducts this service at arm’s length, albeit that councils are invoiced at the end of the program as well. I guess that is where their interest is as well as we maintain that relationship with councils and contract management during the election as well.

But I suppose the VEC’s focus must be on conducting a compliant election, so the aspects that councils are in involved with are informing us of the local scenario — the local newspapers that are active, the election office availability, whether council can provide a space, like you mentioned in the question. But outside of those core parameters there are actually few opportunities for the council to effect a compliant program, and I suppose we will do what we can to work with those councils in explaining the features of the program that we must have, and we have done that through the service plan, but there are many councils as well that do additional work, and we are very appreciative of that, but of course that comes at additional cost for those councils too, above and beyond the VEC’s activity in complying with the Act in conducting the elections.

Ms DUNN — Is that suggesting that there is a duplication of effort if councils are doing activities that you may well be doing? Did I hear that right?

Mr BARTLETT — Occasionally. We do try to avoid that. Certainly many local councils have council newsletters that are distributed to all households throughout the council. There are people who may not pick up the local newspaper. Coverage in those council newsletters is useful. What we try to do is we work with each council as they are preparing any additional activities that they would like to do and we work with them to provide advice on messaging and timing. Our communications team leader, for instance, in terms of the Melbourne City Council elections — they obviously have a much more significant activity in preparing their voters roll compared with the other councils — as part of that activity they have a communication program that they run and our communications team leader has met with their equivalent at Melbourne City Council to
discuss timelines and make sure that they are in sync and that messaging is in sync as well, because we do not want to duplicate that.

Mr DALLA-RIVA — I am getting some advice from here and others in respect of the cost of local government elections, which I noticed in our documentation that I have here somewhere. Here it is. This was in your report on local government elections in 2012, page 59. It mentioned that the total cost invoiced to councils was 16.4 million and then in 2012 it was 19.1 million and then the net cost to councils respectively was 10.4 and 16.1. The evidence you provided is that there may well be a substantial increase for a variety of reasons, so the obvious question comes to mind: with all the increases that are occurring with postal, you have just mentioned how people just do not engage now in media as much as they used to. Social media is another way. Why are you still pursuing it, and have you not looked at going back to the old, traditional polling booth, which I am sure would be a hell of a lot cheaper than just killing 4 million trees in populating — —

Ms SHING — Sam, have you hacked into his mainframe?

Mr DALLA-RIVA — I am not a Green, but I will defend the trees on this occasion. It just seems ludicrous that the cost is becoming so prohibitive that you may actually find it is cheaper just to ask people to go to a polling booth on a particular day. Have you given consideration to that?

Ms WILLIAMS — There were two things there. We talked just briefly about the costs of attendance elections versus the cost of postal elections. In fact attendance elections under the current legislation are more expensive to run than postal elections because there is an element in there that requires the VEC to post a voter notice to everyone on the voters roll. So on a cost-per-elector basis attendance elections are more expensive, and that has been the trend over many years.

The decision in terms of whether to choose attendance or postal rests with the council; that is not a decision that we make. We provide both options to councils and councils choose whether they want their election conducted by attendance voting — voting centres on election day — or by postal voting.

Mr DALLA-RIVA — So you report to a parliamentary committee?

Ms WILLIAMS — Yes.

Mr DALLA-RIVA — Have you not reported anywhere that the costs have now become prohibitive and that maybe there needs to be legislative reform or changes to deal with the costs?

Ms WILLIAMS — No.

Mr DALLA-RIVA — No?

Ms WILLIAMS — We are passing on that we are aware of the cost implications in terms of increasing postage costs and other costs that really have impacted the cost of elections since the 2012 elections, and we will raise those in our reports, and then it is for others to decide legislative arrangements in that regard. So we will continue to report; we provide a report to the Minister for Local Government after every round of general elections, and that is all of the statistics in relation to those elections, including what the elections cost.

Mr DALLA-RIVA — A question without notice that you may not have the answer to, but the cost of the last state election?

Ms WILLIAMS — The cost of the last state election I do have at hand; it was around $43 million.

Mr DALLA-RIVA — So $43 million for a state election and it may well end up being 30 per cent above 20 — who is a mathematician?

Ms WILLIAMS — It is about 29 million based on the — —

Mr DALLA-RIVA — 29 million — —

Ms WILLIAMS — Based on the estimates, but the actuals will be less than that — —
Mr DALLA-RIVA — So $30 million on a local government election and $40 million for a state election. That is just amazing — —

Mr BARTLETT — There is still a — —

Mr DALLA-RIVA — Sorry, I just have to say that is amazing, and it is an amazing waste of money in my view.

Mr BARTLETT — If I could also just add a little bit of context to the figures that you quoted from the program report in 2012: that was what the VEC invoiced, and while what we have quoted to the councils is based on all elections being fully contested, this is not the situation that actually happens. So we will invoice according to what actually happens. We had one council, for instance, with seven single-councillor wards, and four of those wards were uncontested, where just one candidate put their name forward, so that council was only invoiced based on elections for essentially three single-councillor wards. And those are the figures that are referred to in the report, compared to the figures that we are talking about today. What has been communicated to councils assumes that the elections are going to be fully contested, they will all go to preference distributions if they are single-councillor wards. We have essentially quoted based on the full program, and we will pull it back according to the variations that are attached in the electoral service agreement.

Ms WILLIAMS — One other difference, if I could, there: the total number of voters participating in council elections is higher than at a state election because of that CEO list entitlement as well. So we are anticipating for these elections around 4.5 million eligible voters; we were just under 4 million for the last state election.

Ms BATH — Thank you for your evidence. I have just been doing a little bit of maths around looking at potentially a rural shire — cost to a rural shire — as compared to the cost to a larger shire. If we looked at 32 000 voters, South Gippsland shire for example — and I am doing approximations here — at $20.80 cost per voter we get 665 000 for the cost. If we did the same in an inner city, and if we compare apples with apples and had 32 000 voters there, at 4.68 we have a little under 150 000, so the cost differentials are about 340 per cent for the same people in effect, or the same bodies, to vote in rural shires as opposed to city councils.

I am just putting that on the table, that it seems democracy is very important but it seems to be a greater burden for shire councils in rural locations. One, has there been any discussion or consideration around almost a levy system, so that the city takes a little bit more of that burden, so we cost shift it back? And I am assuming that is a changing scale, so you do not just jump from $4 to 20; there are some parameters in between. Has there been any discussion in your reviews around that, and/or when we have councils close by, Baw Baw and South Gippsland for example, is there any way that there could be any form of cost sharing within a council election?

Ms WILLIAMS — Okay, if I start with the second question first, if I may. We have had an arrangement in the past where in smaller councils in rural areas we have set up what we have called satellite offices, where we set up the major infrastructure in a central office. If we take South Gippsland, it might be a South Gippsland and Bass Coast sharing arrangement. There are also other cost offsets with that as well, in that you have got to move ballot papers between offices. Originally we set that up because our IT infrastructure that we needed to establish was quite substantial, but we have made improvements to our IT system so that it is more portable now and it is less expensive to set up in local areas, as well as the call from councils that they want a local service. So the model that we are rolling out in 2016 is providing a single office arrangement for every council. So there are some swings and roundabouts there.

In terms of a levy system or some way of spreading the cost of a four-year election cycle across those four years, there has been some discussion, probably at officer-to-officer level, but that is always an option for councils. I am not sure how it would work from the council end, but certainly that is a way of spreading across the four-year cycle. It is not something that has been implemented to date.

Mr BARTLETT — And, Ms Bath, if I could, in terms of that burden on smaller councils, the smallest council in Victoria has about 3500 to 4000 enrolled voters. The largest council has more than 180 000. So it is certainly a very sliding scale. Those two figures per voter that the deputy commissioner gave in that opening statement is simply taking the lowest, our quote for the smallest enrolment, compared to the quote per voter for the council with the largest enrolment. Every other council sits in between them, if that assists in that.
The CHAIR — Can I thank both of you for your presentation, it has actually been very comprehensive. The secretariat may want to talk to you about some further detail, but we are thankful for the detail and the useful information, some of which I think it is the first time it has been on the public record in this way, so thank you.

Ms WILLIAMS — We will get back to you on those couple of questions that we took on notice. Thank you.

The CHAIR — Thank you.

Ms SHING — Thanks for your evidence.

Ms WILLIAMS — Thanks very much.

Witnesses withdrew.