



# ***INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES COMMITTEE***

## **Members present:**

Mr J Pearce MP (Chair)  
Mr GJ Butcher MP  
Mr MJ Hart MP  
Mr S Knuth MP  
Mrs BL Lauga MP  
Mr LL Millar MP

## **Staff present:**

Ms E Pasley (Research Director)  
Ms M Westcott (Principal Research Officer)

## **PUBLIC HEARING—INQUIRY INTO THE LOCAL GOVERNMENT AND OTHER LEGISLATION BILL 2015**

### **TRANSCRIPT OF PROCEEDINGS**

**WEDNESDAY, 6 MAY 2015**

**Brisbane**

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### Committee met at 8.59 am

**CHAIR:** Good morning. I declare open the public hearing for the committee's inquiry into the Local Government and Other Legislation Bill 2015. Thank you for your attendance here today. I would like to introduce the members of the Infrastructure, Planning and Natural Resources Committee. I am Jim Pearce, the member for Mirani and chair of the committee. The other committee members are: Mr Michael Hart, the deputy chair and member for Burleigh; Mr Glenn Butcher, the member for Gladstone; Mr Shane Knuth, the member for Dalrymple; Mrs Brittany Lauga, the member for Keppel; and Mr Lachlan Millar, the member for Gregory. So we have very diverse members on the committee.

The Parliament of Queensland Act 2001 requires the committee to examine the bill to consider the policy to be given effect by the bill and the application of fundamental legislative principles. Today's public hearing will form part of the committee's examination of the bill. The hearing is being broadcast live via the Parliamentary Service's website and is being transcribed by Hansard.

Before we commence, may I ask that mobile devices be switched off or put on silent mode. For the benefit of Hansard, may I ask that witnesses state their name and position when they first speak and speak clearly into the microphone. This hearing is a formal committee proceeding. The guide for appearing as a witness before a committee has been provided to those appearing today. The committee will also observe schedule 3 of the standing orders.

Today, the committee will hear from the Local Government Association of Queensland from 9 am to 9.20 am; the Logan City Council from 9.20 am to 9.40 am; and the Department of Infrastructure, Local Government and Planning from 9.40 am to 10 am. I now welcome the representative from the Local Government Association of Queensland.

### **O'KEEFE, Mr Joshua, Team Leader, Intergovernmental Relations, Local Government Association of Queensland**

**CHAIR:** Would you like to make a brief opening statement?

**Mr O'Keefe:** Yes, I would. The Local Government Association of Queensland appreciates the opportunity to appear before the Infrastructure, Planning and Natural Resources Committee to assist the committee's detailed consideration of the Local Government and Other Legislation Amendment Bill 2015. Although the bill amends several pieces of legislation, as you would be aware, I will limit my comments in my opening statement to the Local Government Electoral Act 2011 matters.

The bill removes the mandate in the Local Government Electoral Act 2011 for a local government chief executive officer to be the returning officer for a local government election. As noted in our submission to the committee, the LGAQ has long argued that councils should be provided with the choice to conduct elections themselves, contract with the ECQ or contract with some other qualified provider. The association welcomed and supported the changes to the act made by the previous government to empower the chief executive officer to be the returning officer for a local government election because they went some way towards meeting the LGAQ's preferred position in this regard.

In light of the position the government took to the election, the LGAQ is, however, prepared to accept the amendments to overturn the changes made by the previous government. The LGAQ's support for this has been given on the understanding that the government, through the ECQ, will consult with the LGAQ about steps to reduce costs of conducting local government elections. Discussions on this issue commenced last month and the LGAQ looks forward to further discussions resulting in agreed outcomes which reduce the costs for conducting local government elections.

In the absence of councils being able to choose who conducts their elections, at minimum our members would like to see consultation between each local government and the ECQ regarding what works best in local communities, such as the location and number of polling booths, and,

further to that, suitable returning officer selection, as well as adequate training, use of CEOs where they are more suitably qualified and meet the requirements and ultimately value for money. The LGAQ has been encouraged by initial discussions with the ECQ and an undertaking has been provided that they will consult with the LGAQ, the LGMA—which is the Local Government Managers Australia—and, most importantly, directly with local governments. I understand that the ECQ wrote to CEOs recently to commence discussions in relation to election planning.

One other matter is that, where councils request a full postal ballot and meet the requirements under the act, the LGAQ has advocated that the minister look favourably upon these applications as we believe that this will reduce costs for these councils. If you allow it, I wish to turn to one other local government election matter which albeit is currently not part of the bill before us but which was in our submission and is very important to the LGAQ and member councils.

The LGAQ was strongly opposed to one particular change introduced by the previous government last year; namely, changing the system of voting for mayors in undivided councils from first past the post to optional preferential. Following the change of government earlier this year, the LGAQ conducted a comprehensive round of elected member consultations on a whole range of local government matters. In the context of these consultations, elected members expressed to us repeatedly their ongoing concerns about last year's change in the system of voting for mayors in undivided local governments and asked us to prosecute this matter with the new government. In response to council concerns, the LGAQ requests that amendments be included in the bill before us to overturn the change in the system of voting for mayors in undivided councils that was from first past the post to OPV.

The LGAQ put forward detailed argument in support of its opposition to OPV as the system of voting for mayors in undivided councils at the 21 July 2014 hearing of the then Transport, Housing and Local Government Committee. In summary, the LGAQ's opposition is based on the following arguments. The previous government failed to put forward any compelling reasons for the change made last year and there was no debate in relation to this matter.

Firstly, the change to OPV introduced a new inconsistency between the systems of voting for mayors and councillors in undivided local governments, with the former changing to OPV and the latter remaining first past the post. As then deputy opposition leader Tim Mulherin noted in speaking against the bill in parliament on 27 August 2014, the local government minister at the time had failed to adequately explain why the inconsistency between mayoral elections in undivided councils and state elections was more important to address than the inconsistency and possible confusion created by councillors being elected by first past the post while the mayor in the same council would be elected under OPV.

Secondly, the amendment introduced last year changed a set of voting systems that had been found, because of their simplicity, to be the most appropriate systems for these communities and that had been supported by over 90 per cent of mayors surveyed by the LGAQ in February 2013. Thirdly, the introduction of OPV for mayors in undivided councils opens the door to the possibility that the electoral system could be deliberately misused to bring about a contrived outcome—for example, by two candidates standing against the incumbent mayor by sharing preferences.

The LGAQ thus urges the committee to recommend to the government to overturn the change introduced last year in the system of voting for mayors in undivided councils from first past the post to OPV as part of this bill so that the 2016 local government elections can be conducted under the previous arrangements. Thank you for your time and I would be happy to answer any questions.

**CHAIR:** Thank you for your time with regard to the last part of your presentation. We will just note that at the moment and we will discuss where we want to go with that as a committee.

**Mr O'Keefe:** Fair enough. Thank you.

**CHAIR:** The committee has received limited information in relation to the positives or negatives of the proposed amendments to the Local Government Electoral Act 2011. Could you please give the committee some examples of the positives and the negatives of having a CEO as a returning officer?

**Mr O'Keefe:** Sure. We have always believed that local governments should have a choice as to who conducts their elections. In different areas different councils have done that and have done a very good job of that in the past. I guess the positives for council are reduced costs, local knowledge and the ability to use council facilities rather than state or other facilities. Did you want some of the negatives—

**CHAIR:** Negatives, yes.

**Mr O’Keefe:**—about the ECQ running it or about councils running it?

**CHAIR:** Information in relation to the positive and negatives of both sides.

**Mr O’Keefe:** The main thing for us has been about the choice for councils, as I have said, and about the local knowledge. So our hope is to work with the ECQ—and we have had a preliminary meeting with them—and if they are to conduct them that they engage more fully with councils this time and look at ways that we can reduce costs particularly but also that councils get value for money.

**CHAIR:** Have you surveyed all your councils? I would like to know where your councils stand on the argument you just put forward.

**Mr O’Keefe:** We have. I do not have those specific figures in front of me, but I can get them for you.

**Mr HART:** Mr O’Keefe, when were you consulted by the government about this change being made?

**Mr O’Keefe:** To the ECQ?

**Mr HART:** Yes. When were you consulted by the government about the legislation that we are talking about now?

**Mr O’Keefe:** The department consulted with the LGAQ prior to the bill being introduced.

**Mr HART:** Do you have a date?

**Mr O’Keefe:** I do not have a specific date, but I can find that out for you.

**Mr HART:** The bill was introduced on 27 March. Was it a week before or a month before? Did you have sufficient time then to talk to your councils about what their position was?

**Mr O’Keefe:** As I said earlier, the position of the LGAQ has always been about a choice. That has been our longstanding position and has not really changed. In terms of those specific dates, I can seek to get those and get back to you.

**Mr HART:** In your submission to the previous bill you said that you supported the changes that were being made, in particular empowering the chief executive officer of local government as a returning officer, yet you are supportive of this bill now. Why the change in attitude?

**Mr O’Keefe:** Our position has always been that councils should have a choice, whether that be using their CEO, using the ECQ or using another accredited party to conduct the elections. We have said that our support of this change is contingent upon the ECQ working with us and working with councils to reduce costs.

**Mr HART:** Those discussions started last month.

**Mr O’Keefe:** With the ECQ?

**Mr HART:** Have they been progressing? Is the government talking to the LGAQ about cutting costs in elections?

**Mr O’Keefe:** Yes. I think it was raised in the department’s hearing. We had an initial meeting with the department earlier last month. The LGAQ, independent of the department, has met subsequently with the Assistant Electoral Commissioner and raised some of the concerns we had last time in relation to cost and also value for money. There were certain issues last time with the way ballot papers were distributed or how information was distributed. So we seek to work with them and that first discussion was encouraging. They have since written to CEOs of councils, under the legislation as it stands, to seek to work with them in the planning of their elections, so that has started.

**Mr HART:** Since the legislation was put in place late last year, we have not had any council elections to test whether the councils could save any money by the legislation that was put in place last year. Would it have been a good idea, do you think, to let it run its course and have an election and see what happened? Are there any drawbacks to that that you can see?

**Mr O’Keefe:** Again, our view is that councils should have a choice. There are a number of submissions to this committee—one that is strongly in favour and one that is strongly opposed. Amongst our members there are differing views, but there are certain councils that could do it very professionally and probably for less cost. But it is on a case-by-case basis.

**Mr HART:** Do you have any figures available on what it may have cost some of your councils to run elections in the past?

**Mr O’Keefe:** As you would be aware, the last election—

**Mr HART:** I know it was quite a while ago.

**Mr O’Keefe:** Yes, it was over 10 years ago. We did have some figures that we had provided to the ECQ in relation to that, but they were based on councils that responded to our survey.

**Mr HART:** Let me put it this way. The department has come back on a question on notice and told us that on average it is costing \$4.50 per voter for the ECQ to run an election. Do you think the majority of your councils can do it cheaper than that?

**Mr O’Keefe:** Again, as I said, that is probably on a case-by-case basis and it also depends how they conduct their elections. If mayors or councillors run unopposed, obviously there are significantly reduced costs in that regard. We do not have any hard and fast figures about how much a specific council could do it for.

**Mr HART:** In some of the Indigenous areas of Queensland the cost of running an election is quite high. Are local councils able to do those any cheaper? Aurukun is \$25 a head. Lockhart River is \$60 a head.

**Mr O’Keefe:** In terms of those specific councils, I am not sure. We would obviously seek to work with individual councils to reduce that as far as we can. As I mentioned, obviously it is the choice of councils but we advocate that if they want a full postal ballot they make that application to the minister. There are obviously savings by doing a full election that way. They obviously have to meet certain criteria under the act in order to do that.

**Mr HART:** I would assume that your councils are operating under the present laws as they stand now because this has not passed through parliament. Those laws require councils to put a plan to the ECQ by 1 September this year for elections next year. Some of your councils will have made a great deal of progress with that, I would have thought.

**Mr O’Keefe:** With respect to individual councils, I am not aware if they have or have not started that process. Their main consideration at the moment is the budget. That is something they are working on at the moment. In terms of the individual plans for specific councils I am not aware—

**Mr HART:** Are you able to find out whether any of your councils have already spent funds in getting ready for the legislation as it stands now and what their process will be if the legislation changes?

**Mr O’Keefe:** Sure.

**Mr HART:** Can you take that on notice?

**Mr O’Keefe:** Sure.

**CHAIR:** I want to ask a quick question and get a short answer, if possible. You are saying what the LGA position is. How do you come to a position with regard to the rest of the councils? Is it how the majority feel? How do you come to that position? Is it through your conference?

**Mr O’Keefe:** We obviously have our annual conference. That is something that comes up regularly there. We survey our members regularly as well.

**CHAIR:** You have a system.

**Mr O’Keefe:** There are various mechanisms, yes.

**CHAIR:** We have had people saying they represent groups but the boards make the decisions.

**Mr KNUTH:** The submission of the LGAQ states—

The change to OPV made last year introduced a new inconsistency between the systems of voting for mayors and councillors in undivided local governments ...

Where is this inconsistency?

**Mr O’Keefe:** In an undivided council the method of voting for both mayor and councillors was first past the post. Under this change the mayor would be elected using optional preferential voting but the councillors would still be elected using first past the post. So you would have a different system of voting within one council.

**Mr KNUTH:** So under these new changes it is optional preferential voting for the mayor?

**Mr HART:** The existing laws.

**Mr KNUTH:** For the existing mayors optional preferential voting means that other mayors can exchange preferences when they are handing out how-to-vote cards; is that right?

**Mr O'Keefe:** Other candidates, yes.

**Mr KNUTH:** Whereas it is first past the post with the councillors. What was it under the previous legislation?

**Mr O'Keefe:** Previously undivided councils were first past the post. This change, which does not relate to the ECQ issue but is something we wanted to bring to the committee's attention, has changed it from first past the post for councillors and mayors to first past the post for councillors and optional preferential for mayors.

**Mr HART:** I think we need to clarify for the benefit of the member that there are no changes made in the legislation that is proposed now.

**Mr O'Keefe:** No.

**Mr HART:** You are talking about the legislation that already exists and the previous legislation before that?

**Mr O'Keefe:** Yes. We are requesting as part of this bill that that amendment be made.

**Mr KNUTH:** Do you have a preference on whether you would like to see just first past the post? What about optional preferential voting for both?

**Mr O'Keefe:** Our preference would be for first past the post for undivided councils for mayor and councillors.

**Mr KNUTH:** If you are the mayor, naturally you would prefer to have first past the post because the last thing you want to see is two mayoral candidates exchanging preferences?

**Mr O'Keefe:** Yes.

**Mr KNUTH:** But when they get in, the last thing they would like to see is first past the post again. Say, for example, we are going to an election under the optional preferential voting system and then one of them wins. At the next election they do not want to see optional preferential voting because two new mayoral candidates can do them over. First past the post is for the benefit of the mayor at that present moment, isn't it?

**Mr O'Keefe:** My understanding is that first past the post has always existed as the voting method for mayors and councillors in undivided councils.

**Mr KNUTH:** So you want the first-past-the-post voting system for both councillors and mayors?

**Mr O'Keefe:** In undivided councils, yes.

**Mr KNUTH:** Do you have any concerns in regard to the CEO being a returning officer or are you happy with that?

**Mr O'Keefe:** No, our position has always been that councils have a choice. Whether it be their CEO, whether they choose to use the ECQ or whether they contract someone else to run their election, that has been our longstanding preference. With this change we have said that we will support it contingent upon the government, through the ECQ, working with us to reduce the costs as far as possible and through a number of mechanisms—that is, working directly with councils; the minister, where possible, approving full postal ballots; and obtaining local knowledge on the ground. For example, yesterday we were in Burdekin and one of the issues they had at the last election was the number of polling places. They were saying there were too many. The ECQ is sitting down with those councils and saying, 'What works best in your community? Can we use your local council chambers or your local shire hall rather than paying for another facility?' So we can keep the cost down.

**Mr KNUTH:** That is fair enough. My issue with this is that the CEO is always close to the mayor. Obviously the incumbent mayor is always going to be favoured by the CEO. So there is already a bit of a bias in the first place if you have the CEO as the returning officer. Would you acknowledge that is a concern?

**Mr O'Keefe:** Across our 77 local governments we have very professional CEOs who deal with matters of conflict and privilege on a daily basis. We would expect that where the CEOs would be returning officers they would still be subject to the same rigour as other returning officers. The passage of time since the last time that we ran these elections has put us in a situation where we would probably have only a handful of CEOs who could do it. The CEOs in those councils who could do it would do an excellent job but we do not have that experience in some other areas. That brings us back, I guess, to the point about choice.

**CHAIR:** We are running out of time but I have a quick question from Brittany.

**Mrs LAUGA:** Joshua, the explanatory notes talk about the bill ensuring local government elections are run to the same high standards of independence and efficiency as state and federal elections. In the survey of your members, has that question been put to them—not just about costs but also about the independence and efficiency of the system to be brought in line with state and federal elections. What is the LGAQ's position as a whole on that?

**Mr O'Keefe:** One of our issues last time was that in a lot of areas we did not feel it was efficient. That is the reason we have already sat down with the ECQ and said, 'If you are going to run it, we want to make sure that it is efficient, that it is cost effective and that councils are getting value for money.'

**Mrs LAUGA:** Did the survey of your members about their preference in relation to this ask them not only whether this will be a cost-effective move but also what they think about this in terms of integrity, accountability and running elections?

**Mr O'Keefe:** I would have to check that and come back to you.

**CHAIR:** The time allocated for this session has now expired. Thank you very much, Joshua. Sorry that it was a little rushed. The committee would appreciate it if answers to questions taken on notice are provided by close of business on Monday—no hurry, mate.

**Mr O'Keefe:** Sure.

**CHAIR:** Thank you very much for being here.

**BENHAM, Mr Simon, Governance Manager, Logan City Council**

**OBERHARDT, Mr John, Deputy Chief Executive Officer, Logan City Council**

**CHAIR:** Would you like to make a brief opening statement?

**Mr Oberhardt:** Thank you, Mr Chairman. I will keep it brief. Firstly, thank you for the opportunity to be here today and to be consulted on this legislation. We certainly appreciate and respect that the government of the day will make laws impacting on local government. We will happily live by any of those decisions, but we do appreciate the opportunity to have our say.

We are one of those councils that would have the skills, knowledge and expertise to run a local government election. The primary position of our council is really threefold. We believe there should be local choice. The local government should be able to determine who runs their elections, whether that be their CEO; an independent company, and there are many out there; an independent and competent individual, and there are many out there; or the ECQ. We may even wish to do that on some price competitive basis. We think having our local knowledge is of benefit to running local government elections, and we are very interested in the efficiency and cost savings that we can leverage from the way we run our elections.

**Mr HART:** John, were you consulted by the LGAQ about the submission that it made?

**Mr Oberhardt:** We have been consulted by the LGAQ over the years on the policy position which it articulated before. I have been doing this for 30 years so I think for 10-plus years the LGAQ's policy position has been choice for local governments. We feel this hearing today is part of that consultation on the legislation, hopefully, and this is where we are getting our opportunity to have our say. We were aware of the Labor Party policy before the election. That was known to us and published so it was not a surprise.

**Mr HART:** One of the issues put forward is that CEOs of a council may have a conflict of interest if they were to be returning officers. Do you have an opinion on that?

**Mr Oberhardt:** I do, and Josh articulated it before. We are dealing with conflicts every single day. We have to tell people who might be our employer 'no'. Simon and I would do that multiple times every day. We are very professional people. We take our roles very seriously. I have done every election since 1983 at Logan City Council. I did every federal election, working for them, since then until 2008 as well. I have probably worked with 100-plus candidates running in local government elections. I have never really had an issue. We are pretty straight down the line. We set the ground rules with our council very strongly before the election about what those rules are. We keep everything locked down. That is not to say that people do not try I would not say to manipulate outcomes but try it on us to take a particular course of action, but, again, strongly and independently we take that role very seriously.

**Mr HART:** You would have meetings of various councils all over the state on a regular basis—your council of mayors et cetera. Have you heard of any conflict of interest that may have come up over the years? I am not asking for a specific instance, but have you heard of any conflict of interest?

**Mr Oberhardt:** I have heard of mistakes being made in the electoral process, but I hear that in state elections, federal elections and Senate elections.

**Mr HART:** So it is no different whether it is a council, state or federal—

**Mr Oberhardt:** Not as far as the administration of the elections goes, no. There are more competent people than others, and that is in any employment.

**Mr HART:** How do you think your particular council could save the ratepayers in Logan if you had an RO other than the ECQ running the whole election?

**Mr Oberhardt:** We do not really know how the ECQ calculates the costs of running an election. There is no real transparency in how they spend their money and what on, especially as it relates to our particular local government. We have not done it for a few elections now, so I can only give you the history as I know it. Prior to the 2008 election, the Logan City Council had budgeted, say, \$350,000 to do our election and we had about 100,000 electors. So that neatly fits within the figure of \$3.50 mentioned earlier. So that is probably around about the cost.

**Mr HART:** It is \$4.50.

**Mr Oberhardt:** Sorry, \$4.50. Okay. Ours was \$3.50, but the ECQ quote for our last election was \$950,000, which is \$6.35 per elector. So that is a big difference in the cost.



**Mr HART:** Sorry, that is your 2012?

**Mr Oberhardt:** Yes, 2012. This letter is dated September, 2011—'Based on the above prescribed formula, the total cost for the March 2012 quadrennial election for Logan City Council is estimated to be \$952,825.'

**Mrs LAUGA:** Just as a point of clarification, is that the actual cost? Is that the invoice or the quote?

**Mr Oberhardt:** That is the quote.

**Mrs LAUGA:** So the actual cost?

**Mr Oberhardt:** The actual cost was closer to \$500,000. However, our mayor was elected unopposed. So there is 150,000 ballot papers straightaway and no mayoral election, which is not quite double. We also had three councillors elected unopposed. So in three of our divisions there was no election whatsoever and in the rest of the city there was only an election for those divisional councillors. So we obviously spoke to the ECQ and had our account modified to reflect what actually happened in that election. We do not know what a cost estimate would be for the next election but, again, applying simple mathematics, this estimate talks about a formula that works out at \$6.35. We can do it significantly cheaper.

**Mr HART:** Are you saying that you negotiated down your bill?

**Mr Benham:** In the end we had to.

**CHAIR:** You should be entitled to do so as well.

**Mr Oberhardt:** That is what we are talking about—the transparency of it.

**Mrs LAUGA:** Are there ways in which you could work with the ECQ to make it work so that they can run local government elections more cost effectively?

**Mr Oberhardt:** We could work with them on facilities potentially to save money, but, as it works at the moment, again, we do not know information. If we offered up a facility that we would normally rent for some other income, we would not know if that impacts on our bill or not. So we could certainly negotiate on those sorts of things, because they are currently renting commercial office space and we may be able to rent them that cheaper.

The real saving to the community has been in the opportunity cost of councils running the election. I will get paid by Logan City Council from January to March whether I am working on the election or whether I am working on Logan City Council matters. We have already budgeted for that even if I do not do the election. If we do not do it, then someone else has to be paid to do that. So there is a large cost there.

**Mrs LAUGA:** So taking into consideration the time that you would put into it, you could technically add that to the cost. It is a hidden cost that you do not add to council's total. But would your time be better spent perhaps working on everyday council matters as opposed to running an election?

**Mr Oberhardt:** That is a difficult question to answer. I am really here just representing my council, whose view is that we should have the choice, that we can do it cheaper and that local knowledge will help with the process. Today, that is my position.

**Mr HART:** John, has your council spent any money preparing for the next election under the existing legislation?

**Mr Oberhardt:** Again, I do not think so. We have not spent any cash money or paid any bills. We have spent a little bit of time working on preparing for it, but, again, we knew that this was coming. So we have been sitting on doing that work awaiting the outcome of this.

**Mr HART:** Sorry, you knew this was coming after 31 January?

**Mr Benham:** Yes, I did.

**Mr HART:** You had prior knowledge.

**Mr Benham:** No, as John mentioned, it was fairly clear that it was Labor Party policy that this would swing back to the way it was.

**Mr HART:** Sorry, sarcasm.

**Mr Benham:** No, that is right. As John said, we put the brakes on. During the state election I was keeping an eye on where the ECQ was running polling booths in Logan City just to get a feel for what polling booths were being used in the event that we might be running it. But we have stopped any work.

**Mr HART:** So with the polling booth, if it is one of our facilities do you bill the ECQ and then they maybe bill you something else? You do not know?

**Mr Oberhardt:** They generally do not use our facilities. They have not done so for the last two elections in any case. We have had discussions with them, but it just has not been suitable for our business and suitable as a polling place. By and large they are schools and they use the same schools that we would use. We have one or two centres that they may use.

**CHAIR:** Lachlan, did you have a question?

**Mr MILLAR:** It is just that there is \$4.50 here and \$6.50 with the Electoral Commission. I think we can see that, obviously, you use your time and that is taken up, but it seems a bit excessive, if you go per vote—from \$4.50 to \$6. There must be some justification, when they send a quote to you, for why they spend that much or why they have a quote of that size.

**Mr Oberhardt:** No. We have challenged many of the bills, but this letter—the words exactly are ‘prescribed formula’ that they had. As I said, \$4.50 is more reasonable than \$6.35.

**Mr HART:** Is that something that you could table?

**Mr Benham:** You can have my copy if you want.

**Mr Oberhardt:** Absolutely.

**Mr MILLAR:** If you go to a mechanic and you need your car serviced, you get a bit of an explanation of the oil filter, the fanbelt—‘We are changing this, we are changing that.’ So you are telling me that they do not provide you with a breakdown of costs?

**Mr Oberhardt:** No.

**Mr MILLAR:** Would it be helpful for councils to have a breakdown of costs?

**Mr Oberhardt:** Absolutely.

**CHAIR:** We will take a look at the letter before we seek leave from the committee to have it tabled. I could be wrong here, but I feel a little bit of tension between Logan City and the ECQ. Am I right? If I am right, why?

**Mr Oberhardt:** I do not think there is any tension between Logan City Council and the ECQ other than historically we had been running elections and now they run them. We were not happy with that policy change at the time and our council remains unhappy with that policy decision. It is nothing personal against individuals who work at the ECQ. We have absolutely no problem with their independence or professionalism. In fact, we are working with them every day. We are working with them at the moment on our electoral boundary projects and the relationships are strong.

**CHAIR:** So it is the legislation that you really do not like.

**Mr Oberhardt:** Correct.

**Mrs LAUGA:** What about if the ECQ worked with you and they were required to perhaps, under the bill, consult with councils about how to reduce costs, bring that per vote dollar figure down and maintain the independence and integrity of the process by way of having someone outside of council running the elections? Would that be a good outcome?

**Mr Oberhardt:** Reducing the cost would be an excellent outcome. That is one of our three issues. It still would not overcome, unfortunately, our primary issue, which is about the independence of making that decision—local governments being empowered to make their own decision about who runs their elections. There is no escaping compliance with electoral regulation, legislation, laws—doing it properly. All of that is a given. It is just, rather than being told how to do it, giving the local community some say in how they allocate their resources. It is a policy position. We will live with the outcome.

**Mr MILLAR:** It would be fair to say that if you got a breakdown of the cost it would be helpful so you could analyse that?

**Mr Oberhardt:** Absolutely.

**Mr HART:** Have you asked the ECQ for that?

**Mr Oberhardt:** No.

**CHAIR:** Can you?

**Mr Oberhardt:** Yes, we can.

**CHAIR:** Can you do that for us, please?

**Mr Oberhardt:** Yes. We will write a letter asking for a breakdown of the last election's costs for sure.

**CHAIR:** Okay. Thank you. Time has got to us again for this particular session. I thank you both for your attendance here today. We need to get a copy of the letter. We need to have that back by close of business on Monday, 11 May.

**Mr Oberhardt:** Thank you for your time.

**CHAIR:** Thank you for your time.

**BLAGOEV, Mrs Bronwyn, Director, Policy, Legal and Corporate Support, Department of Infrastructure, Local Government and Planning**

**HAWTHORNE, Ms Josie, Manager, Legislation, Policy, Legal and Corporate Support, Department of Infrastructure, Local Government and Planning**

**CHAIR:** Good morning. Will there be any opening statement?

**Ms Hawthorne:** No.

**Mr HART:** You heard what Logan City Council and the LGAQ have said. I am not sure if you could speak on behalf of the ECQ, but is a breakdown of election costs something that the ECQ would provide to councils? They do not normally do—

**Ms Blagoev:** We definitely cannot speak on behalf of ECQ. I am not sure what information they give to the councils prior to an election. We have had a breakdown of costs which I believe has been provided to the committee—around direct costs, indirect costs and total costs. I appreciate that Logan had indicated that its quote for the 2012 elections was around \$6.50 an elector. The \$4 per elector is evened out across the whole of the state. We are not sure exactly what information the ECQ does provide to each local government and, particularly if a council asks the ECQ for information, what it gets back; we are not sure.

**Mr HART:** Their actual cost at the end of the day calculates out at about \$3 a vote. So they have managed to negotiate a pretty good deal, I would say.

**Ms Blagoev:** The figures that we have before us are that for 2012 the total amount paid by the council, GST exclusive, was \$492,702.

**Mr HART:** Yes, but with 162,000 voters that is \$3 a vote.

**Ms Blagoev:** Which may be explained by what the gentleman previously said in terms of the number of divisions where there was not a requirement for an actual ballot.

**Mrs LAUGA:** Thank you for being here, ladies. I do not have any other questions.

**Mr MILLAR:** When this policy came forward, was costs a part of your briefing notes to the incoming government—that if this change was going to happen costs could be an issue? Was there any briefing note or anything on costs per council and the difference between the cost of a CEO doing it as a returning officer and the cost of the Electoral Commission doing it? Do we have any figures on that?

**Ms Blagoev:** No. We do not have any figures in terms of what the difference is between a CEO as a returning officer and the ECQ because the change never actually took effect. We do not have that information. In terms of what information was provided to the government, I am not 100 per cent sure what information the director-general may have given. I do not recall any departmental briefing notes that had ECQ costs information in it. It was a matter of government policy that we were asked to implement.

**Mr MILLAR:** But when you are asked to implement government policy, surely there is a briefing coming forward to the incoming minister to say, 'This is what you propose to do. This is what the costs could be.' Surely there would have been a cost analysis between the ECQ and the returning officer as the CEO?

**Ms Hawthorne:** Government policy was around the potential conflict of interest of a chief executive officer of a local government running an election. The policy issue was not around costs of a CEO running an election in comparison to the Electoral Commissioner.

**Mr MILLAR:** Just one more question on that. Even though it was on conflict of interest, which I understand, surely with any change of policy coming to a new government a budgetary line must be taken into consideration in any briefing note explaining that to the government of the day.

**Ms Hawthorne:** When the change was made under the previous government costs were considered, but because this change has not actually been tested, or CEO ROs had not been tested, we could not do a cost comparison between what happened in 2012 with election costs and what happens now for the 2016 local government elections.

**Mr MILLAR:** There would have been an estimate, surely.

**Ms Hawthorne:** Those estimates have not changed since the figures that were put forward previously.

**Mr HART:** So costs were not an issue then at all. Is there anything that the LGAQ or Logan have brought up that you would like to comment on?

**Mrs Blagoev:** No.

**Mr HART:** Purely around the CEO conflict of interest, Logan City Council gave their opinion that there would be no such thing, basically: their CEOs are professional, they are highly paid, they know their job and they keep politics as such out of their job. I think I am not putting words into their mouth. What is the conflict of interest?

**Mrs Blagoev:** In terms of a conflict of interest, there is both a direct potential for an actual conflict and a perceived conflict. We definitely do not wish to make any assertions in terms of the professionalism of CEOs, who all do a fantastic job. It simply is that there is always a perceived conflict of interest when you have a CEO who is appointed by the council running an election.

**Ms Hawthorne:** In New South Wales their legislation prohibits their general managers or CEOs from being returning officers even though they have the carriage of local government elections.

**Mr HART:** Was that the department's view when this legislation was put in last year?

**Ms Hawthorne:** I am sorry, I do not understand the question. Could you repeat it, please?

**Mr HART:** You just expressed a view that there is a perceived conflict of interest. Was that the department's view when the legislation was changed to make CEOs of councils ROs?

**Mrs Blagoev:** The issue of conflict of interest was raised previously, before the last amendment. At the end of the day, it is a matter of government policy that the department is asked to implement.

**CHAIR:** As a department are you aware of any conflicts of interest that have arisen in the past as a result of CEOs being the returning officers?

**Mrs Blagoev:** No.

**Mr KNUTH:** We have to look at the integrity of the CEO in regard to the local council. Obviously there is a concern, but I do not believe all CEOs have bias towards one particular mayor. Have you heard concerns expressed in the community in relation to council bias by a CEO?

**Mrs Blagoev:** I am not aware of anything in particular.

**Mr HART:** The present legislation requires the CEO, if they are the returning officer, to put out a plan to the ECQ by September the year before the election. If the plan came out and there was some perceived bias as part of that plan, wouldn't that be picked up by the ECQ and fixed?

**Mrs Blagoev:** I am sure it would be. I think the electoral plans are more operational—where you are going to have polling booths, all of those day-to-day arrangements.

**Mr HART:** What decisions could an RO make that may benefit the incumbent mayor or a person running for mayor?

**Mrs LAUGA:** Well, it is a piece of string.

**Mr HART:** Well, it is a question. Can you give me an example? Just one example is fine.

**Ms Hawthorne:** The returning officer has responsibility for determining where polling booths are and other paper issues. All of the responsibilities of the returning officer could possibly be perceived as a potential conflict of interest.

**Mr HART:** The location of a booth could be a conflict of interest?

**Ms Hawthorne:** It may well be.

**Mr HART:** I do not see that, but anyway.

**CHAIR:** I will have the final question. To help the committee in its final deliberations, could you please explain how the amendments bring local government elections in line with state and federal elections?

**Mrs Blagoev:** At the state and federal election it is not the government; it is the ECQ or equivalent who conducts the election.

**CHAIR:** Independent from government.

**Mrs Blagoev:** It is about ensuring that the same levels of independence and transparency apply to local government as apply at the state and federal levels.

**CHAIR:** That would make it equal across the three levels?

**Mrs Blagoev:** Correct.

**CHAIR:** I thank you all for your attendance at the hearing today. I believe that the committee has gathered valuable information that will assist our examination of the Local Government and Other Legislation Amendment Bill. I declare the hearing closed.

**Committee adjourned at 9.51 am**