

**Submission  
No 19**

## **PREFERENCE COUNTING IN LOCAL GOVERNMENT ELECTIONS IN NSW**

**Organisation:** Blacktown City Council  
**Date Received:** 3 October 2017

File no: F17/2571

29 September 2017

The Hon Dr Peter Phelps MLC  
Chair  
Joint Standing Committee on Electoral Matters  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

By email: [electoralmatters@parliament.nsw.gov.au](mailto:electoralmatters@parliament.nsw.gov.au)

Dear Dr Phelps,

**Inquiry into preference counting in local government elections in NSW**

Please accept this submission to the Joint Standing Committee on Electoral Matters on behalf of Blacktown City Council.

At our Ordinary Meeting of Council on 27 September 2017, the attached Council report CS370158 - 'Submission to the inquiry into preference counting in local government elections in NSW' was considered.

Council resolved that the NSW Government amend the Local Government Act, to apply the option preferential voting system to all local government elections, as it ensures all preferences are transferred and counted as a vote.

Please also find attached a Motion to the 2017 Local Government NSW annual conference, also resolved by Council on 27 September 2017, providing additional information to support this submission.

Yours faithfully,



Wayne Rogers  
Acting General Manager

## Submission to the inquiry into preference counting in local government elections in NSW

Item: PS1058 Report: CS370158 File: F17/2571

Committee Meeting on 20 September 2017

Division is not required

<b>Topic</b>	Inquiry into preference counting in local government elections in NSW.
<b>Analysis</b>	The Joint Standing Committee on Electoral Matters (the Committee) is conducting an inquiry into preference counting in local government elections in NSW. There are currently 2 main voting systems used in local and state government elections, optional preferential or proportional. Submissions are invited until 29 September 2017.
<b>Report Recommendation</b>	1. That Council resolve a preferred voting system for Local Government elections, for the purpose of making a submission to the inquiry into preference counting in local government elections in NSW.

### Key reasons

#### 1. About the inquiry

- a. The terms of reference for the Inquiry are:
  - i. the current system of 'random selection' in the counting of preferences in local government elections,
  - ii. whether this system delivers fair results in all cases for candidates,
  - iii. whether there are any alternative methods of ballot counting which would produce more accurate preference flows, and
  - iv. any other related matter.
- b. The closing date for submissions is Friday, 29 September 2017. As the next Ordinary Meeting of Council is 27 September 2017, we have sought a 1 week extension to respond to the Committee.
- c. The Committee will provide a report on the inquiry by 14 November 2017.

#### 2. Current voting systems

- a. Both local and state elections use either a preferential or proportional system.
- b. Local Government elections use either:

- i. Optional preferential - The optional preferential voting system is used if only 1 councillor is to be elected. It transfers all live preferences of excluded candidates to continuing candidates
  - ii. Proportional - The proportional voting system is used for elections of 2 or more councillors. It distributes surplus votes of elected candidates at a reduced value with a random selection of ballot papers transferred to continuing candidates.
- c. State Government elections use:
- i. Optional preferential for Legislative Assembly elections - Voters are required to rank candidates in order of preference, but need only indicate at least 1 single preference for their vote to count.
  - ii. Proportional representation for Legislative Council elections - This system aims to allocate seats in proportion to the votes cast, once a certain quota has been reached (the same system used for general council elections).
- d. A brief explanation of how the current voting systems are used is under Supporting analysis below.

## Supporting analysis

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1. The information below on how votes are counted under both the preferential and proportional systems is taken from the Electoral Commission.

### 2. The Proportional voting system in local government elections

#### a. Steps in the counting process

- i. Sort and count ballot papers according to first preference
  - To be elected, a candidate generally must gain a quota of the formal votes. The quota cannot be worked out until the total number of formal first preference votes is known. Once the first preference count has taken place and informal ballot papers are removed the quota is calculated.
- ii. Calculate the quota
  - The quota = (total number of formal votes ÷ one more than the number of vacancies) + 1

For example, if there are 12,000 formal votes and 5 vacancies to be filled, the quota is:  $12,000 \text{ formal votes} \div 6 = 2,000 + 1 = 2001$ .

Therefore, a candidate would need 2,001 votes to get elected.

- iii. Distribute surplus votes from any candidates who reach the quota and are elected (see explanation below)
  - The count is conducted by distributing votes according to the choices shown on the ballot paper. When candidates reach a quota and are elected, their surplus or extra votes above the quota are distributed to the remaining candidates. Surplus votes are distributed first before candidates are excluded.
- iv. Exclude lowest candidate and distribute their ballot papers
  - Candidates with the lowest number of votes are then excluded and their ballot papers are redistributed according to the next choice shown.

- v. Repeat steps iii and iv until all vacancies filled
- This process continues until all the vacancies are filled. Candidates can also be elected if the remaining number of candidates in the count equals the number of vacant positions still to be filled.

**b. First preference vote**

- i. Using the previous example, if there are 7 candidates for the 5 vacancies and after the first count the votes are as following:

Candidate	First preference votes
A	3,560 <b>elected</b> (1,559 surplus votes)
B	1,900
C	1,700
D	1,500
E	2,000
F	1,340
Total formal votes	<b>12,000</b>
Quota	<b>2,001</b>

- ii. Candidate A having 3,560 votes, with a surplus of 1,559 votes more than the quota, is elected.
- iii. The surplus votes of Candidate A must now be distributed to the remaining candidates.
- iv. All of candidate A's 3,560 ballot papers are examined and the 2nd preference on those ballot paper recorded for each continuing candidate.

**c. Distributing surplus votes**

- i. The votes are not distributed as whole votes. They are transferred at a reduced transfer value that is equivalent to a total of 1,559 whole votes. The transfer value is calculated by dividing the number of surplus votes (1,559) by the total number of ballot papers the candidate has (3,560). This determines how many actual votes each remaining candidate will receive:
- $1,559 \div 3,560 = 0.4379$  (transfer value)
- ii. When examining all of Candidates A's ballot papers; 500 of them had Candidate B as their 2nd preference. Given each ballot paper is only worth the transfer value of 0.4379, the total number of votes to be transferred to Candidate B is:
- $0.4379 \times 500 = 218$  votes
- iii. Only 218 of the 500 ballot papers are kept by Candidate B. These 218 ballot papers are selected at random from the 500 ballot papers, with the rest of the ballot papers (that is 282) going back to Candidate A to be kept as part of their ballot papers that got them elected (i.e. the quota).
- iv. This process of distributing the 2nd preferences of Candidate A's ballot papers, would be applied to Candidates C-F where they were the 2nd preference on

Candidate A's ballot papers.

- v. The transferred votes are added to the first count of preferences, and any candidates who now meet the quota are elected. The process of distributing surplus votes of the elected candidate then starts again, however only those ballot papers which have been transferred to the elected candidate from a candidate previously elected, shall be taken into consideration.

**d. When no candidate reaches the quota for election**

- i. If no-one is elected, the candidate with the least number of votes is excluded and their ballot papers are distributed to those remaining candidates, according to the next available preference on their ballot papers, excluding any candidates already elected.
- ii. Votes from excluded candidates are distributed at full value, that is one ballot paper equals one vote.
- iii. This process continues until all the vacancies are filled.

**3. The Optional Preferential voting system - where it is used**

- a. This method is used for elections to the State Government's Legislative Assembly.
- b. This system is also used in local government areas/wards for mayoral elections where the Mayor is popularly elected, and when only 1 councillor vacancy is to be filled (such as a by-election).

**c. Steps in the counting process**

- i. Sort and count ballot papers according to first preference

- To cast a formal vote, the elector must place the number '1' in the square next to their first choice candidate. They have the 'option' to show further preferences by placing the number '2' in the square next to their second choice candidate, the number '3' next to their third choice and so on.

They may number as many or as few squares as they wish.

To be elected in the optional preferential system, a candidate has to receive 50% + 1 of the total formal votes in the count. This is called an 'absolute majority'.

- ii. Calculate the absolute majority

- For example - If there are 8,756 formal first preference votes in an election the absolute majority is calculated as:

$$8,756 \div 2 = 4,378 + 1 = 4,379$$

If a candidate has an absolute majority, that candidate is elected and no further counting is necessary.

- iii. Exclude lowest candidate and distribute their ballot papers

- If no candidate is elected, the candidate with the least number of votes is 'excluded' which means the excluded candidate's votes are re-sorted to the other candidates according to the 2nd preference shown on each ballot paper.
- However, if any of those ballot papers do not have 2nd preferences, those ballot papers are known as 'exhausted' ballot papers and are removed from

the count. They are then only used to balance the number of votes at the end of each exclusion, to the number of first preference votes.

iv. Repeat steps ii and iii until all vacancies filled

- The process of exclusions is repeated until such time as a candidate has an absolute majority of the votes remaining in the count and that candidate is elected.

**d. Recalculating votes needed for 'absolute majority'**

- i. The absolute majority needed to be elected is recalculated after every candidate is excluded. This is due to exhausted ballot papers not continuing in the count. The process is explained in the following example:

Candidate	Count 1 1st preference votes	Distribution of Candidate D preference votes	Count 2 Progressive totals	Distribution of Candidate C preference votes	Count 3 Progressive totals
<b>A</b>	3,024	250	3,274	822	4,096
<b>B</b>	2,552	441	2,993	1,189	4,182 <b>Elected</b>
<b>C</b>	2,290	87	2,377	Excluded	Not applicable
<b>D</b>	890	Excluded	Not applicable	Not applicable	Not applicable
<b>Total formal votes</b>	8,756	778	8,644	2,011	8,278
<b>Absolute majority needed</b>	4,379	Not applicable	4,323	Nil	4,140
<b>Informals</b>	278	Not applicable	278	Not applicable	278
<b>Exhausted</b>	not applicable	112	112	366	478
<b>Total votes</b>	9,034	890	9,034	2,377	9,034

## Context

1. The rules for the election of members of the Legislative Assembly and the Legislative Council are contained in the *Constitution Act 1902* and the *Parliamentary Electorates and Elections Act 1912*.
2. The rules for the election of Councillors are contained in the *Local Government Act 1993* and *Local Government (General) Regulation 2005*.

## Approval

	Name and position
→ Report author	Kim Doherty, Coordinator Governance and Information
→ Endorsed by	Kenny M., Manager Governance and Corporate Services
→ Director approval	Wayne Rogers, Director Corporate Services
	Signature:
→ General Manager approval	Kerry Robinson, General Manager
	Signature:

## Attachments

There are no attachments to this report.

## Recommendations

<b>Report Recommendation</b>	1. That Council resolve a preferred voting system for Local Government elections, for the purpose of making a submission to the inquiry into preference counting in local government elections in NSW.
<b>Committee Recommendation</b>	That Council prepare a submission to the inquiry into preference counting in local government elections in NSW that recommends the NSW Government amend the Local Government Act 1993, to apply the optional preferential voting system to all local government elections, to ensure all preferences are transferred and counted as a vote.

## Part B - Motions details

<p><b>Topic</b></p>	<p>Preferential voting in local government elections</p>
<p><b>Motion 2</b></p>	<p><b>That the NSW Government amend the Local Government Act 1993, to apply the optional preferential voting system to all local government elections, to ensure all preferences are transferred and counted as a vote.</b></p>
<p><b>Details of the issue</b></p>	<p>In August 2017, it was announced the Joint Standing Committee on Electoral Matters is conducting an inquiry into preference counting in local government elections in NSW.</p> <p>The current proportional voting system, where 2 or more councillors are elected, distributes votes in line with the choice on the ballot paper. When candidates reach a quota and are elected, their surplus or extra votes above the quota are distributed to the remaining candidates<sup>1</sup>.</p> <p>At certain points of the count, only a random selection of those surplus votes are distributed as preferences, with the balance of those ballot papers not transferred set aside.</p> <p>This prevents the transfer of preferences in all ballot papers being considered during each stage of the count.</p> <p>Random sampling of ballot papers does not reproduce a count of the votes, as the formulas may be applied to different ballot papers, depending on the random sample used. This could result in differing election results in circumstances where the votes are close.</p> <p>Random sampling could also make it difficult to carry out a count back of votes to fill a casual vacancy in civic office. Provisions would need to be in place to apply the count back to the random sample of ballot papers that resulted in the election of the candidate.</p> <p>A more accurate system of distributing preferences is the optional preferential voting system used for the Legislative Assembly.</p> <p>This system ensures the preferences of any excluded candidates are transferred to other candidates.</p>

<sup>1</sup> NSW Electoral Commission website

[http://www.elections.nsw.gov.au/about\\_elections/voting\\_and\\_counting\\_systems/councillor\\_proportional\\_representation\\_elections](http://www.elections.nsw.gov.au/about_elections/voting_and_counting_systems/councillor_proportional_representation_elections)