Response to issues paper

Review of funding framework for Local Land Services NSW

The Hawkesbury-Nepean Catchment Management Authority welcomes the inquiry into a funding framework for Local Land Services NSW.

HNCMA have reviewed the Issues paper (May 2013) and support the overall use of a cost recovery framework based on demand for service (beneficiaries or risk creators) and appropriate apportioning of cost share between parties.

HNCMA have identified the following areas for comment:

• In regard to options for minimum areas of rateable land, that consideration of the need for smaller lot sizes, particularly in LLS areas which have significant peri-urban and urban lands, be supported. The GS LLS region is dominated by urban areas with over 1.3 million properties under 2 ha. There are approximately 25,000 properties between 2 and 5 ha, and significantly smaller numbers in the ranges of 5-10 ha (< 6000 properties) and 10-20 ha (<7000 properties).

There are only approximately 4,500 properties in the GS LLS region over 20 ha.

• The HNCMA supports the use of Local Government Authorities for the collection of base rates and levies, on behalf of the LLS. However, there are major variations in specific catchment areas to be address to deal with the needs and risks of various communities. This is particularly the case in the proposed Greater Sydney LLS. The proposed structure will not yield sufficient funds to deal with animal health (poultry and horses), flooding issues related to the Parramatta CBD and surrounding urban areas, terrestrial and aquatic weed infestation, metropolitan and town water supplies and salinity effects on urban infrastructure.

Consequently, the HNCMA suggests that there are sufficient precedents to enable expanding of the funding structure. IPART already deals with the North West Sector drainage scheme operated by Sydney Water and the Hunter Central Coast CMA already levies charges for the Upper Hunter Catchment scheme. These schemes are beyond the scope of local councils to plan and co-ordinate.

• In addition to a review of the appropriateness of the four existing special purpose levies, there is consideration given to the extent of anticipated requirements for additional special purpose levies. This issue is of particular concern to the GS LLS. The amalgamation of Sydney Metropolitan Catchment Management Authority (SMCMA) with HNCMA in October 2012 resulted in a significant unfunded liability related to the former Upper Parramatta River Catchment Trust (UPRCT) accountabilities. The Minister has requested a review of the UPRCT functions and funding options. The costs associated with these functions are $500k annually.
HNCMA welcomes the opportunity to be further involved as this inquiry progresses.

Yours sincerely

Robert Seldon
Chair