

FUNDING OF NSW LOCAL LAND SERVICES

Embargoed until 10am 21 May 2013

The Independent Pricing and Regulatory Tribunal (IPART) is calling for public submissions on how the new Local Land Service (LLS) boards being established by the NSW Government should price their services.

An Issues Paper released today for the *Review into the development of a funding framework for Local Land Services NSW* asks stakeholders for their views in response to the terms of reference issued by the Minister for Primary Industries. These terms of reference ask IPART to:

- ▼ develop a framework that Local Land Service boards can use to set service fees
- ▼ recommend the rating base (eg, stock carrying capacity, land area or unimproved capital value of the land) and an associated fee collection mechanism, and
- ▼ develop an approach to ensure LLS boards comply with what is recommended in the setting of service fees.

IPART will not determine the actual service fees.

Some services, as now, will be funded by government. Other services will be priced to recover part or all of their costs from landholders.

The services are currently provided by the NSW Department of Primary Industries (DPI), Livestock Health and Pest Authorities (LHPAs), or Catchment Management Authorities (CMAs).

The full range of services to be provided by LLS is extensive and includes:

- ▼ advice on production for primary industries and farm businesses
- ▼ biosecurity including plant and animal health
- ▼ plant and animal pest control
- ▼ natural resource management, and
- ▼ emergency response.

IPART Chairman Peter Boxall said it is important to separate the costs of LLS that should be recovered from individual landholders from the costs that should be borne by the government on behalf of the broader community.

“Where a service benefits an individual landholder or that landholder creates a risk by, for example, not taking action to control the spread of disease or pests then the cost of the providing the service should be borne by that landholder,” Dr Boxall said.

“However, the same principles should apply to what is paid for by the broader community.”

“For example, the whole community may benefit from conservation action taken on an individual landholding or there may be a need to control pest animals and weeds on Crown land,” Dr Boxall said.

“Having decided on who should pay for what, decisions are then required on how costs should be recovered. Some cost recovery mechanisms may be inefficient by imposing unnecessary costs or not aligning with the benefit received or the risks created.”

IPART is seeking feedback from stakeholders on what costs should be paid for by individual landholders and what mechanisms should be adopted to recover those costs.

Submissions to the Issues Paper will be considered in the preparation of a draft report to be released in August. Submissions to the Issues Paper close on 2 July 2013.

Stakeholders are also invited to participate in public workshops to be held in Wagga Wagga on Friday 14 June, Tamworth on Tuesday 18 June and Sydney on Monday 8 July.

The Issues Paper, along with details of the public workshops, is available at IPART's website <http://www.ipart.nsw.gov.au>.

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