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Ref: RP:AFS

20 December 2013

Dr Peter Boxall AO
Chairman
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office NSW 1230

Dear Dr Boxall

LLS BOARD OF CHAIRS SUBMISSION ON FUNDING FRAMEWORK FOR LLS NSW

I write to express my Council's concern with the above submission and to support the position of Local Government NSW in relation to it.

In addition to the issues raised in the Local Government NSW submission, Berrigan Shire Council believes that the following key points are also relevant:

Lack of Accountability

To have a Council act as revenue raiser for a third party such as LLS creates an accountability gap between the service provider and service recipient. The lack of a direct relationship between the purchaser and provider provides a disconnect that could see services being provided that are not required or at a cost that is excessive.

This lack of accountability is compounded by the fact that under the present process to enrol as a voter at LLS elections only existing rateable property owners are eligible for enrolment. In my Council area this will see approximately 800 people eligible to vote at LLS election whereas there are about 5,800 eligible voters on the current Council electoral roll.

What is being paid for?

Given that it remains unclear what services that LLS's are proposing to provide to owners of property with an area less than 2HA it seems somewhat odd that a revenue raising mechanism is already being proposed.

It would be far clearer and more accountable if LLS's actually identified what services are proposed to be delivered to these smaller properties and then the beneficiaries of the service or contributors to the problems could be identified and charged for the service.

Why 2 HA?

The present proposal to rate all properties under 2HA is fraught with issues. Such a blanket policy will capture all public land, multi storey developments, fully developed sites such as shops etc.

While the Council appreciates that there are some smaller landholdings that could possibly be considered for rating , such as rural residential type developments, this would be more appropriately managed through the use of relevant zonings rather than area.

Why Councils?

Berrigan Shire Council continues to object to being used as a fund raiser by another authority, particularly if reimbursement for such service is based on a marginal cost.

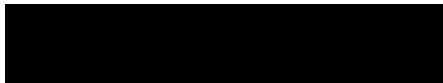
Given that the LLS funding applies to all property across the State it would be more effective for LLS to develop its own charging system or engage a State wide authority such the NSW Office of State Revenue.

If LLS developed its own charging system or utilized the services of the NSW Office of State Revenue, service users would be exposed to the true cost of that system as opposed to the Council subsidized marginal cost recovery model. This would also ensure a consistent charging model across the State.

In the Council's view the entire proposal submitted by the Board of Chairs is ill conceived, has not considered its broader implications and importantly eliminates any accountability by LLS to its customers through either the ballot box or their hip pockets.

If you have any queries, please do not hesitate to contact me.

Yours faithfully

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ROWAN PERKINS
GENERAL MANAGER