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Contact:- Ms Ngaire McCrindle
Your Ref:-
Our Ref:- 03.60.0098 (McCrindle/bj)

19 December 2013

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

Dear Dr Boxall

Re: LLS BOARD OF CHAIRS SUBMISSION ON FUNDING FOR LLS NSW

Bombala Council has been reading with concern the information available in relation to the proposed funding arrangements submitted by the Local Land Services (LLS) Board of Chairs on the IPART Draft Report on its Review of Funding Framework for Local Land Services NSW.

Council appreciates that you are required to develop an efficient and transparent cost recovery framework, including the proportion to be funded by Government, for LLS Boards to set fees for the different services provided, however Council is concerned at the potentially unworkable system proposed by the LLS Board of Chairs.

The proposal that Councils collect rates for small areas of land under 2 Ha and forward the revenue to LLS is extremely problematic from a systems and logistical viewpoint firstly. It would be costly and time consuming to modify our systems to provide this service. It is also of concern that the State appears to be considering local government as a debt collection agency for whatever land based taxation they decide to impose. Council would also presumably be left with the cost and risks associated with debt recovery, holding the bad debt and administrative costs, which may or may not be recovered adequately.

While it could be argued that to introduce another layer of rating structures is absurd and government should be reducing, rather than increasing, bureaucracy, the creation of LLS Boards suggests that is not necessarily the State Government's rationale. Their concept of three separate collection systems however is ludicrous and would be a costly and inefficient bureaucratic nightmare to administer.

Bombala Council strongly objects to the recommended abolition of the land area threshold of 2 hectares for land that could be subject to a LLS rate for the proposed base rate and the rate for natural resource management. Councils only taxation base is property and further taxation on property by the State impacts on Council's ability to raise additional rates (including special rate variations and special rates). Unlike LLS Boards Councils are publicly elected and are accountable to their communities, not just to the State as sometimes appears to be the thinking at State Government level.

The submission also fails to provide any detail on how the urban ratepayers will be represented in the LLS Board structure of the LLS. It is imperative that LLS Boards are accountable to all ratepayers, not just with land holdings over 2 hectares.

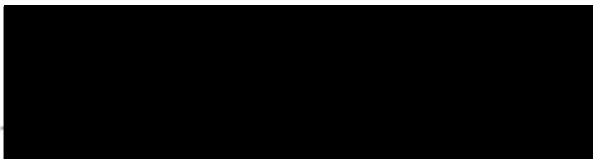
Bombala Council has an excellent record in managing weeds and the suggestion by the Board of Chairs to reverse the basic principle that LLS should recover their costs in the first place by targeting actual risk creators and/or beneficiaries with a fee for service arrangement, is of concern to Council. We are concerned that this will penalise those already doing excellent work and may act as a deterrent to spend further effort. It will also penalise those who are maintaining their properties and subsidise those who are not – a reward for bad behaviour.

Council agrees with the comment by LGNSW that the proposal seems to be based on a misconception that only councils have the required property database to undertake rating. It seems to be more appropriate that the NSW Office of State Revenue collect the property taxes charged by the State Government.

Council strongly opposes the recommendation that all exemptions for public land holders be removed. Bombala Council currently spends over 3% of rates and charges just on noxious weeds control and management. This does not include Council's expenditure on public land management and natural resource management, which is considerably more. This expenditure more than offsets any perceived obligation to pay rates for LLS purposes.

We already pay various NSW Government charges levies and rents for Crown lands under our control or management. There is no justification for Local Government's land holdings to be subject to LLS rates. The only possible way this Council would approve of paying rates to LLS or other government agencies would be if other government agencies e.g. State Forests paid rates to Councils for the services that they currently get free, i.e. our roads.

Yours faithfully



Ngairie McCrindle
GENERAL MANAGER