



19 December 2013

Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Dear Sir/Madam

Submission - Review of funding framework for Land Services NSW

I refer to the call for submissions in response to the submission to the review of the funding framework for Land Services NSW put forward by the Local Land Services Board of Chairs.

Byron Shire Council wishes to submit its agreement with the views of Local Government NSW that it does not support the submission put forward by the Local Land Services Board of Chairs on the following basis:

The possibility of Council collecting LLS rates/charges for properties under 2 hectares.

- The Board of Chairs submission suggests that a mixture collection system involving themselves and local government. This possibly seems contrary to IPART's recommendation as there is an expectation Council will collect rates, NRM/environment rate plus other subject to agreement on land under 2 hectares but LLS will collect anything else. This is a confusing outcome and as suggested by Local Government NSW will be seen as a Council additional rate/levy.
- If Council becomes a collector - who is responsible for the debt recovery of the LLS rates/charges? Will there be a modification to the Local Government Act 1993 to include LLS rates as a debt on the land?
- If Council becomes a collector - who determines the outcome of disputes with ratepayers about whether LLS rates/charges are applicable to a property?
- If Council becomes a collector - at what point is revenue collected submitted to LLS and is that the gross revenue raised or only the amount Council has received ie not amounts still outstanding that ratepayers have not paid.
- If Council becomes a collector - will it need to advertise LLS rates/charges annually as part of its revenue policy. Who then responds to any submissions received?
- If Council becomes a collector - will LLS need to advise Council of the rate/charge applicable for each property depending upon the specific LLS service the property may be subject to or utilise. As indicated in the Board of Chairs submission there are a variety of different types. On this basis would it not be more efficient for LLS to do it themselves as IPART are recommending.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE GENERAL MANAGER

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- If Council becomes a collector - who is responsible for dealing with customer enquiries regarding LLS rates and charges.
- If all public land holders become liable, Council will need to create additional billing records for properties currently exempt from local government rates. This may be the only rate/charge on the notice.
- Will Council have the option to participate in the collection of LLS rates/charges if it wishes or will it have no choice.

The possibility Council as a public land owner will become liable for LLS rates/charges.

- If Byron Shire Council as a public land owner becomes subject to LLS rates, this will be an additional cost to Council and the extent of that cost is currently unknown as it would depend upon the eventual rating structure adopted by the LLS Board(s) covering the Byron Shire Council area. The Board of Chairs submissions to IPART is suggesting all public land holders no longer be exempt so it is assumed this would also include the Crown. In Council's case, if it is to become liable for LLS rates then IPART should ensure that the rate peg announcement for the financial year LLS rates are introduced is increased so that Council can pass on the cost to ratepayers and is not financially disadvantaged in respect of this cost shifting proposal. Council has 151 operational land parcels and 350 community land parcels for a total of 501 land parcels. These all may be subject to LLS rates if the proposal is approved to which Council will have no other choice other than to pass onto ratepayers or reduce other services to meet the unknown cost.

From an overall perspective it is disappointing that LLS Board of Chairs have not consulted or had little consultation with Local Government prior to lodging their submission to IPART. The LLS Board of Chairs have not considered the constraints of the current Local Government Act 1993 in terms of rates and charges (Chapter 15) that would require amendment if LLS rates/charges are to be collected by Council nor whether local government as a sector has the financial capacity to contribute LLS rates/charges on its land holdings that are currently exempt if Council are not able to raise its rate income to compensate for this additional cost due to rate pegging.

Yours sincerely


Mark Arnold
Director Corporate and Community Services