

IPART Draft Report *Review of Funding Framework for Local Land Services (LLS)*

Council wishes to make clear its opposition to parts of the proposal by the LLS, particularly in relation to Councils being required to collect levies on behalf of the LLS and the proposal that land below 2 hectares and Council land be subject to LLS rates.

Council collection of LLS rates

- This could create the illusion that Councils have a financial relationship with LLS and adversely expose Councils to arguments about levels of services by the LLS and the tax/rate levied. The operations of the LLS do not link to Council operations
- The operational costs associated with identifying, collecting, remitting and the conflict generated from such collections is not adequately recompensed to Council in any of the existing collection processes
- Councils unfairly being the target of landholder anger as the payer does not differentiate between the collection agency and the levier, a situation that has been highlighted with experience from required collections for other State agencies (eg. catchment management authorities, Long Service Leave Payments Corporation and Planfirst)
- Is the levy to be special rate? If so, then Councils could be forced to forego income under the permissible income calculations, or go through a special variation process
- Future Council special variation applications could be affected as amongst other things councils have to demonstrate the impact on individual ratepayers of any variation application, is the community's capacity to pay.
- The ability to introduce an environmental levy could also be affected as the public could perceive Councils to be double dipping if the LLS is already in place and being collected by Councils
- Collection services should only be undertaken by Councils if they agree to such a service not be mandated function whereby State responsibilities are shifted to local Councils

LLS rates on land less than 2 hectares

- This essentially recommends subjecting property owners who do not use LLS services to yet another tax
- Has the potential to affect urban areas (including in metropolitan Sydney), townships and regionals centres
- A number of Councils already have environmental levies in place to address natural resource management issues in the local area. This could lead to the situation where landholders are effectively levied twice creating confusion and animosity towards Council and its employees
- The lowering of the area results in an encroachment of LLS rates into urban and semi-urban areas

Council owned and Crown Land

- Clearly define the potential liability to pay LLS rates and charges and in terms of public land management, particularly where Councils already undertake natural land resource management.
- Impacts on larger Council landholdings such as open spaces or parks and the continued exemption of such land from LLS rates

Submission lodged electronically via IPART submission portal

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Cc: Local Government NSW  
Hunter Councils Inc.