

# COFFS HARBOUR CITY COUNCIL



Our ref: 3634493

18 December 2013

Dr Peter J Boscall AO  
Chairman  
Independent Pricing and Regulatory Tribunal of NSW  
PO Box Q290  
QVB POST OFFICE NSW 1230

Dear Mr Boscall

## **Submission on Funding Framework for Local Land Services NSW**

Attached is Council's submission following receipt of a copy of the LLS submission. It proposes a significantly altered funding framework that is not supported by Council.

Council's submission also incorporates general comments in relation to rating issues.

A black rectangular redaction box covers the name of the signatory. A handwritten signature in black ink is written over the box and extends to the right.

Steve McGrath  
**General Manager**

SCM:mxh

**Submission to IPART  
On the Review into the development of a funding  
framework for Local Land Services NSW and  
specifically the submission by Local Land Services**

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December 2013



## **Introduction**

Council is making a submission on the “Review into the development of a funding framework for Local Land Services NSW” following the release of the Local Land Services Board of Chairs “Response to IPART Draft Report” dated December 2013.

Council supports the Local Government NSW draft submission of June 2013 and their letter of 9 December 2013 specifically in relation to the LLS Board’s “Review of funding framework for Local Land Services NSW” dated December 2013.

General comments will be made in relation to rating and specific comments will be made in relation to the LLS Board of Chairs submission.

## **General Comments**

Councils in NSW are not in a position to provide free rating services for the new Local Land Service (LLS). As IPART is aware, councils face huge infrastructure burdens which must be addressed to provide sustainability in service provision.

Councils may not be in a position to answer enquiries in relation to LLS rating should a complex system be put in place.

Should councils become part of the revenue raising system of LLS, councils must be able to clearly inform ratepayers that the funds raised are not part of local government funding but part of State required funding. Local Government, being so close to its ratepayers, comes under a high level of scrutiny in relation to its revenue raising compared to other levels of Government.

It is considered more appropriate that the NSW Office of State Revenue raise rate income on behalf of LLS if this becomes an income source. It has access to the same property information. This would be a more appropriate mechanism for funding what will be a NSW Government imposed system.

If councils become involved, they should not have to include levies on behalf of other government authorities when referring to total council rates in relation to rate variation matters or government returns and enquiries.

There must be control over LLS in relation to the quantum or LLS rates that can be raised. This is covered in more detail, below, in relation to the LLS submission.

## **Specific Comments – LLS Submission**

The proposal to levy a base rate and a number of other rates on land below 2ha is not supported. It is not outlined which property under 2ha would be included. Implementation of this concept is considered inappropriate and could even lead to residential land being levied. Intensive agriculture on properties of less than 2ha, which would not be great in number, should be identified by LLS and appropriately charged directly by LLS.

The proposal to shift the funding model to a reliance on rating is not supported. The proposal by IPART is supported, ie that LLS should recover their costs in the first place by targeting actual risk creators and /or beneficiaries with fee for service arrangements. The LLS proposal would lead to a lack of transparency in relation to LLS works and related benefit and funding. Should rating be allowed in some way, perhaps a ceiling on rate income of say 10% should be set by legislation as a maximum percentage of total annual LLS income.

Council lands should not be subject to LLS fund raising. Councils already apply significant resources to public land management and natural resource management. Such expenditures would more than offset any perceived obligation to pay rates for LLS purposes. An exemption should continue.

## **Conclusion**

Council seeks IPART to support a system that ensures that councils are not impacted adversely, in any way, if required to assist with LLS funding and that preferably, the NSW Office of State Revenue raise LLS rates, that LLS rate income is restricted, that properties under 2ha are not subject to LLS rating proposals and that all council properties be exempt from LLS fund raising.

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