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Independent Pricing and Regulatory Tribunal
PO Box Q290
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Dear Sir

Re: Review of Funding Framework for Local Land Services (LLS)

Thank you for the opportunity to respond to the draft report Review of Funding Framework for Local Land Services (LLS).

The formation of LLS is a significant change to the delivery of agricultural services in NSW. Council is not opposed to some change in this area, however it has to be equitable, deliverable and effective.

Council has in various forums expressed its concerns over the governance and service delivery boundaries and framework.

A number of aspects of the report are worthy of comment by Council. This is particularly relevant given the recent response to the review from the Board of Chairs that have alarmed Council.

Removal of Exemption for Local Government property

The Board of Chairs has put forward a proposal to remove the exemption for Council land holdings, thereby making them subject to LLS rates. Council is opposed to this view and urges the IPART rule it out.

Council's have an obligation under the existing Local Government Act charter to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development. I would suggest the vast majority of Councils effectively deliver on this objective.

I would also add, that any action to remove the exemption, would be in stark contrast to the NSW Government's long standing philosophy of exempting property held in the name of the Crown from local Council rates.

Collection Mechanism

It is acknowledged the report presents a range of collection mechanisms. Council is, however, gravely concerned at the view canvassed in the report and recommended by the Board of Chairs, that local government should be the collection mechanism.

This proposal is strongly opposed. Council staff, particularly in rural councils are working at capacity given the resources and expertise at their disposal. To suggest this additional administrative burden could be implemented purely by paying a fee is, I would suggest, an uninformed simplification of the process, personnel and resources that would be required and in most instances are simply not available.

The report also indicates the unimproved capital value (UCV) of land is not considered to be the most appropriate basis to target beneficiaries and impactors. Given the UCV is the basis used by Councils for the levying and collection of rates this presents an additional, unnecessary complexity to resolve.

Council would also suggest that if the LLS rates were collected by Council they would undoubtedly be seen as a Council charge. This is hardly in keeping with the transparent, accountable framework the Government is seeking to implement.

Reduction to 2ha threshold

The suggestion the threshold be brought down from 10ha to 2ha is another cause for concern for Council. If it were to be accepted by the NSW Government, such action would have the potential to affect many residents from metropolitan, regional and rural NSW that will never have any reason to access Local Land Services.

General Comments

Revenue from rating systems provided by LLS Board of Chairs is both complex and impractical. It would appear to create an environment allowing complex flexibility and scope to the Local Land Services.

Lack of consultation by LLS Board of Chair subsequent to an extensive public consultation process, the implication of Local Government without due consultation creates an atmosphere of doubt for the amalgamated bodies due to commence January 2014.

Yours faithfully



WJ West
Mayor

cc Cr Keith Rhoades, LGNSW President, GPO Box 7003, Sydney NSW 2001