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Submission:

Local Government NSW is currently seeking comment on the draft report on the funding framework for Local Land Services (LLS).

One of the funding options being considered is that Local Government could levy a special rate and collect rates on behalf of the LLS boards and that the LLS board would pay Local Government a fee that reflects its marginal costs.

Currently for Local Government special rates may only be levied for services provided by council so this would require special legislation prior to implementation. There would also be issues in relation to permissible incomes given special rates are currently included in the notional calculation.

There are many factors that need to be considered and from a local government perspective Councils should be very careful as to ensure it builds acceptance from its ratepayers for the introduction of any rate or charge which should provide a direct benefit to the ratepayer. Given the specialised nature of the LLS boards there is currently no specialised knowledge in local government to attend to the level of enquiries that would be potentially generated from such a rate appearing on our rate notice.

The rating structures of local government have been perfected over many years to meet the requirement of rating on valuations and there is no provision to base rates on area or notional stock carrying capacity being the current methods used by LLS. Local government is also required to align rates to a service being provided or proposed to be provided for particular definable areas or locality, the LLS model is fragmented due to it being based in rural areas only, then by the parcels area or notional stock carrying capacity. Again methods foreign to Local Government.

This again appears to be another cost shifting exercise and given that Local Government continues to operate under a rate capped environment the proposal for Local Government to rate on behalf of Local Land Services be rejected for the reasons detailed above.