



Gosford City Council

Councillor Lawrie McKinna
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19 December 2013

Mr Colin Reid
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB POST OFFICE NSW 1230 NSW

Dear Mr Reid

Gosford City Council Submission to IPART Regarding Review of Funding Framework for Local Land Services - Local Land Services Board of Chairs Submission

In response to requests for submissions on the response to IPART from the Local Land Services Board of Chairs (LLS BoC) on the Review of Funding Framework for Local Land Services, Gosford City Council would like to provide the following comments.

Council objects strongly to the recommendation put forward by the LLS BoC, that **Councils should collect the base rate and the rate for natural resource management for land with an area below 2 hectares.**

Council strongly objects to this notion on the grounds that:

- It results in a lack of accountability for LLS Boards as ratepayers are likely to perceive any LLS rate/levy collected by a Council as Local Government levy, even if the rates notice indicates that it is an LLS charge.
- Making the LLS responsible for both expenditure and revenue collection would create in-built controls on its expenditure growth and ensure appropriate transparency in the collection of the rate.
- There would be considerable collection costs and complexity in using 152 councils to collect LLS rates.
- It should be just as efficient for State Government to use other frameworks for collection, such as the NSW Office of State Revenue which has access to the required property information and possesses revenue raising mechanisms.

Council objects strongly to the recommendation put forward by the LLS BoC, that **all exemptions for public landholders be removed.**

Council strongly objects to this notion on the grounds that:

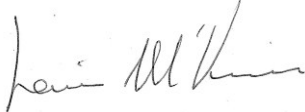
- Local Government already applies significant resources to public land management and natural resource management. This expenditure more than offsets any perceived obligation to pay rates for LLS purposes.

- Local Government is already subject to various NSW Government charges levies and rents for Crown lands under their management. There is no justification for Local Government's land holdings to be subject to LLS rates.

The objections made in this submission are consistent with the submission made by Gosford City Council on 2 July 2013 (attached) regarding the issues paper titled *"Review into the development of a funding framework for Local Land Services NSW - May 2013"*.

Gosford City Council trusts that these comments are of assistance you.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Lawrie McKinna', written in a cursive style.

Councillor Lawrie McKinna
MAYOR OF GOSFORD CITY

Internal Ref: 14979349

Enc



Telephone (02)

4325 8222 Please Quote 12720362

C Perry:cp
02 July 2013

Gosford City Council

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Independent Pricing and Regulatory Tribunal (IPART)
P.O. Box 290
QVB POST OFFICE NSW 1230

Attention: Colin Reid

Dear Mr Reid

Submission - Review of rating framework for Local Land Services NSW

In response to requests for submissions regarding the issue paper, 'Review of rating framework for Local Land Services NSW' May 2013, Gosford City Council would like to provide the following comments, with particular interest to Chapter 7 - *"Funding options and collection mechanisms"*.

7.7 - Fee Collection mechanisms (levies and rates)

As Council has already stated in its response to the Local Government and Shires Association (LGSA), it is preferred that Council is not involved in the collection of rates for the Local Land Services NSW. However, if as a result of the review there are legislative changes that require Council's involvement, participation; funding etc. there will be an impact on Council. Council objects to being used as a collection agency when it should be just as efficient for the State Government to use other frameworks for collection.

Local Government rating is already resource hungry in responding to individual concerns about where and what rates are used to fund. Including another layer of taxation in which Councils have no control over the expenditure, even though this will only be levied on behalf of another agency, will see significant increase in the necessary responses to ratepayers and an increase in dissatisfaction of ratepayers as the levy may be perceived as a Council levy.

Council's rating system could require substantial system reconfiguration to accommodate the method used, with additional setup costs and there may also be a possible conflict with the Privacy and Personal Information Protection Act. (see attached response to LGSA)

In the event that the decision is made to appoint Local Government responsible for the fee collection despite our concerns above, Section 7.5 becomes pertinent for the following reasons:

7.5.1 - Ratings base options for biosecurity

Ratings base 1: Notional stock carrying capacity

Information not currently held by local government and may require system configuration to accommodate. This may be cost prohibitive.

Ratings base 2: Land area (per hectare)

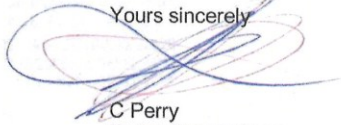
Information not currently held by local government and may require system configuration to accommodate. This may be cost prohibitive.

Ratings base 3: Unimproved capital value of land

Consideration of the unimproved land value has little relationship to the services provided by the Local Land Services, therefore not an appropriate rating base.

Council is not in a position currently to quantify the estimated costs as Council has not yet identified the source or nature of the information needed.

Yours sincerely



**C Perry
Rates Supervisor
Finance Department
Gosford City Council**

Attachment 1



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Please Quote 12720362
Ann Stewart:as
17 December 2012

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Geoff Hudson - Senior Policy Officer
Local Government and Shires Association
geoff.hudson@lgsa.org.au
GPO Box 7003
SYDNEY NSW 2001

Dear Geoff

Gosford City Council's Response to Questions Raised by the Local Government and Shires Association (LGSA) Regarding the Establishment of the Local Land Services

Thank you for your email correspondence to Gosford City Council sent on 26 November 2012. This letter comprises Council's initial response to the questions posed under the Heading "Issues Still to be Considered" from your correspondence, for the LGSA's consideration in establishing a position regarding the Local Land Services (LLS), on behalf of Local Government.

Council has made comment separately through the LLS Have Your Say Web Site, regarding the matter of LLS Boundaries.

Council has collaborated internally to prepare this response with contributions provided from a range of key staff including:

- Deputy Director Environment and Planning - Eddie Love
- Director Corporate Services - Nic Pasternatsky
- Manager Finance - Sharon Hutch
- Legal Officer - Alan Ford
- Acting Manager Integrated Planning - Tim Macdonald
- Advisor Environment Planning - Ann Stewart
- Coordinator Natural Open Space - Larry Melican

Question 1: How should the LLS be governed?

- Should the Chair be elected by the Board or appointed by the Minister?
- How many Board members should be skills based appointments?
- How many Board members should be elected?
- Who should be eligible to vote and who should be eligible to stand for election?
- Question: Should the Local Government election process be utilised in some way to elect LLS Board members?
- Should the Minister have similar powers to the Minister for Local Government with respect to temporary administration?

Response: The operation of the Local Land Service should be beyond the role of local government. Local government should not have any input into the governance, finance and administration of the Local Land Service.

Question 2: Does the current Local Government Review process have any implications for the development of LLS?

Response: From Council's point of view, the review will have no impact. However, if as a result of the review there are legislative changes that require Council's involvement, participation, funding etc. there will be an impact.

Question 3a: It is proposed that the LLS will have a broad rate base to supplement state and federal government investment. Should all landholders (rural and urban) be rated to fund LLS?

Response: No, rates should only be charged to cover the expenses associated with functions carried out currently by the Livestock Health and Pest Authorities and the associated agencies and applied to the LHPA current ratepayers as other functions are currently carried out from State or Federal funding.

Question 3b: Will public perception about increased taxes have the potential to pose a risk to councils' own rate revenue base?

Response: Yes, Local Government rating is already resource hungry in responding to individual concerns about where and what rates are used to fund. Including another layer of taxation in which Councils have no control over the expenditure, even though this will only be levied on behalf of another agency, will see significant increase in the necessary responses to ratepayers and an increase in dissatisfaction of ratepayers as the levy may be perceived as a Council levy.

Question 3c: What impact will this have on existing and future Environmental Levies implemented by councils?

Response: There will be an assumption or inference by ratepayers that the Local Land Services (LLS) rate covers all environmental functions. This may develop a community reluctance to agree to fund Councils to undertake duplicated functions, even though this would not be the case, due to the perception of the LLS as a Council levy.

Question 3d: What if rate revenue is re-distributed to other priority regions around the state (away from where it is collected)?

Response: Currently for LHPA rates, each authority sets its rates annually based on the financial requirements of the authority for the coming year. It does not appear that revenue is re-distributed away from where it is collected. There appear to be no driving forces for this to change. Redistribution of revenue would clearly result in an increase of ratepayer dissatisfaction and perhaps highlight mismanagement by the authority/organisation in receipt of supplementary revenue.

Question 3e: Would councils be happy to collect rates on behalf of LLS (fee for service)?

Response: No, Council objects to being used as a collection agency when it should be just as efficient for the State Government to use other frameworks for collection.

Question 3f: Are councils in a position to collect the LLS rates system (potentially based on existing LHPA rating system)?

Response: The collection of rates on the LHPA rating system would require substantial system reconfiguration to accommodate the method used. The current LHPA method of rating uses data currently unavailable within our local government system.

It is theoretically possible, however, at additional cost. In addition, there may be a possible conflict with the Privacy and Personal Information Protection Act if existing Council data were to be used as this would not be within the realm of the purpose for which it was collected.

Question 3g: Should LLS rates be collected by NSW Government through other frameworks (i.e. Office of State Revenue)?

Response: Yes, this would be preferable to ensure separation of functions, transparency and to avoid confusion for Councils ratepayers. It would also avoid additional cost shifting.

Question 4a: LLS services are proposed to include: provision of agricultural advice; plant and animal pest control and biosecurity; natural resource management; and, emergency and disaster assessment and response. Are all of these functions appropriate across all areas of the state?

Response: Yes, all of these functions are appropriate across all areas of the state, including the Greater Sydney area. The involvement of the current Catchment Management Authorities in the new LLSs is essential to providing natural resource management (NRM) functions across the catchments/regions.

Catchment Management Authorities have provided ongoing support to Council in the management of coastal environments for many years. Council is concerned that the proposed changes may threaten to move the focus away from the coastal zone and areas which are under significant pressure from land use practices, progressive increases to population and risk intensification. Council is concerned that coastal environments will be provided with a decreased and fragmented level of support at the state level.

Council also seeks clarification on responsibilities for the management of erosion between the new Local Lands Services, NSW State Emergency Service, NSW Office of Environment & Heritage and local government. With the limited information currently available it is difficult to assess the appropriateness of the LLS functions in emergency and disaster assessment and response for coastal erosion and flood risk.

Multi-level NRM governance and institutional arrangements have changed over the last decade with a general move to devolve responsibility for NRM to regional bodies (government and non-government organisations playing significant roles). The roles and functions for the state in a regional governance arrangement such as LLS would include putting in place coordinative frameworks and set standards that specify a range of expected or required policy outcomes. These standards and frameworks should be amenable to being readily adapted in response to overwhelming forces requiring urgent NRM intervention, such as climate change, markets and extreme events.

Question 4b: Are any of these functions redundant or unnecessary?

Response: All of the identified priorities are important to be retained by the LLSs. It is important to retain the catchment approach to these functions, with the Catchment Action Plans (CAPs) providing direction for natural resource management across the catchments. There is an opportunity to integrate the goals and objectives of the various agencies being amalgamated into the LLSs with the current review of CAPs occurring now.

Question 4c: Which of these functions are priorities?

Response: All of these functions remain important, with interrelationships occurring across a number of the functions. Functions such as natural resource management, plant and animal pest control, bio-security, agricultural advice and emergency and disaster assessment and response are interrelated, and retaining these functions within the same agency would facilitate their delivery.

Priorities should be determined by the LLS based around its management capacity. Management capacity should be measured by an assessment of the adequacy of its resources and management processes for implementing its plans and policies, within which clearly stated goals and objectives are articulated. It is assumed that transition arrangements will be put in place for ongoing service delivery until the plans and policies for the various agencies can be integrated.

Question 4c: Are councils better placed to deliver some of these functions?

Response: No, state involvement in the delivery of natural resource management, plant and animal pest control, bio-security, agricultural advice and emergency and disaster assessment and response is appropriate. Local government may be able to deliver complementary services, such as natural resource management activities, in some areas based on local priorities. However, the regional/catchment and statewide focus needs to remain at state level.

With respect to the consideration of the management of "land" as would be assumed to be the focus of an agency titled "Local Land Services", the management of any particular area of land depends on its tenure and the objectives of the land owner or manager subject to constraints, (ie regulatory, knowledge, information and resource constraints). Local Government manages small, but significant areas of land and can contribute some of the services provided by LLS to these areas of land. By far the majority of services should be provided by the state.

Overall, Council supports the notion of service delivery through the Local Land Services. However, there is insufficient information about the detail of the new arrangements to provide any more than in principle support.

Council would like to thank the Local Government and Shires Association for initiating the process of providing a Local Government position to the State Government on this matter. If there are any further enquiries on the responses contained in this letter, please contact Council's Advisor Environment Planning - Ann Stewart, on 4325 8885 or ann.stewart@gosford.nsw.gov.au

Yours faithfully

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line that curves upwards at the end.

Stephen Glen
Acting General Manager