Greater Taree
City Council

18 December 2013

Dr Peter J Boxall AO
Chairman
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office NSW 1230

Ref: 13/38180; S926
Enquiries: Richard Pamplin

Dear Dr Boxall,

Review of the Funding Framework for Local Land Services NSW

Thank you for providing the opportunity to receive submissions in response to the Local Land Services (LLS) Board of Chairs submission dated 2 December 2013 to the IPART draft report on the *Review of funding framework for Local Land Services NSW, September 2013.*

There is concern in local government in NSW as to why a tax or levy is proposed to be introduced to fund a NSW government agency to undertake its activities. Whilst not a new concept, it begs the question as to whether additional taxes or levies will be imposed to fund other government agencies following the funding mechanisms for the LLS being finalised? This levy will place additional hardship on landowners, particularly at a time when councils are needing to apply for Special Rate Variations to increase rates to fund infrastructure backlogs and maintain current service levels.

A more reasonable approach would be for the State to fund the core activities of the LLS, with landowner services such as technical advice being supplied by the LLS on a fee for service basis.

Whilst our Council has not formally addressed this issue, please find below a response from myself on behalf of Council to each recommendation contained within the LLS Board of Chairs submission.

Recommendation 1:
The LLS BoC recommends a parallel rating system for intensive agriculture which would be accessed by a simple gateway question. "Is the enterprise engaged in intensive agriculture"? If YES, then a simple risk mitigation / revenue matrix would be applied based on the nature of the enterprise being conducted (as illustrated in Table 1).

Council **supports** the concept that intensive agriculture poses a greater risk to biosecurity than extensive agriculture and if an additional levy must be implemented then the introduction of a system that recognises that those who pose the greatest risk pay the highest rate is equitable in terms of risk across land ownership.

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Recommendation 2:
LLS BoC recommends that all risk creators are subject to the LLS rate including land holdings below 2 ha (excluding commercial and industrial land).

The LLS BoC would like to propose the concept that for areas below 2 ha, Councils utilise their existing processes and databases to collect the rates.

Council is in agreement with the draft IPART report, which recommends reducing the rateable property size down from 10ha to 2ha to account for the impact that the management of small rural and bush blocks may have on the wider rural community, but is **strongly opposed** to the recommendation above from the LLS regarding land holdings below 2ha.

To suggest that all residential development should contribute to funding to run an agency, which has a focus on farming practices and natural resource management that would normally be associated with land holdings in excess of 2ha would appear to be a grab for additional cash by the LLS and is not justifiable on any grounds.

Additionally, the proposal to require councils to collect funds for the LLS for land under 2ha is also **strongly opposed**. This proposal shows a lack of understanding of the significant impost this would have on councils without any proposed mechanism to compensate councils for this burden. It is suspected that the reasoning behind this is that this will appear to be a rate levied by councils instead of the LLS as most ratepayers are unlikely to be able to delineate between rates they pay to council and those going to the LLS. Councils would then be required to expend additional resources explaining and educating and responding to queries and the community angst about increased rates with no recourse to utilise funds raised for the services associated with local government.

Recommendation 3:
That all exemptions are removed.

That LLS engages in a process with key industry groups to define the LLS service offering to their industry, how they will manage their risk creation obligations and contribution to LLS.

Council **supports** the concept that all industries in the rural landscape should be treated equally, rather than some being subject to exemptions due to historical policy positions.

Recommendation 4:
That IPART ensures that the final framework is sufficiently flexible to allow for regional variations, while recognising that the process for setting rates by the Local Boards needs to be transparent and repeatable.

Being a regional council we are well aware of the need to account for regional variations in the provision of services and that any mechanism should be transparent and repeatable and hence we **support** this recommendation.

Recommendation 5:
That exemptions for public landholders are removed.

That LLS engages in a process with these land managers to determine how they will manage their risk management obligation and contribution to LLS.

Council **strong opposes** the removal of exemptions for public lands. This goes against the long held convention that one level of government does not tax another level for land. If this were to be seriously considered IPART should also recommend removal of this exemption from all legislation, enabling councils to impose rates for Crown land, State Forests, National Parks and Nature Reserves. There is an Intergovernmental Agreement between State and Local Government that needs to be given due reference when suggesting such fundamental changes.

On this basis, supporting the LLS recommendation is likely to lead to an endless cycle of government agencies as well as State and local governments authorities charging one another for every service provided, which will only further deepen the divide between State agencies and between State and Local Government at a time when significant inroads into partnerships between all levels are being achieved.

Additionally, I believe that this shows a lack of understanding from the LLS Board of Chairs of the role of local government and the significant investment councils have been making in regard to natural resource management and environmental rehabilitation, often in partnerships with the Catchment Management Authorities (CMA's).

I trust that IPART will seriously consider the concerns from local government highlighted in Council's submission.

Yours faithfully

[redacted]

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