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I have seven main concerns about both the Draft Report and the Board of Chairs response.

- First, the Draft Report recommends both Cost Shifting and the concept that the State Government be the funder of last resort. The cost shifting is from the Government (the whole community) to landowners, which despite all statements to the contrary is reducing cost for Government. The funding of \$22 million over 4 years for the transfer of 50 DPI advisory officers is a case in point as is the fact that the CMAs will be funded by landowners in the future. The current Community Service Obligations will be eliminated to the benefit of the Government. One would not expect the cost shifting to reduce the Government's income only its costs.
- Second, the reduction of the LHPA rated properties minimum of 10ha to the 2ha for LLS rated properties, will mean an exponential increase the rates and levies collected unless the rate in the dollar drops. The draft does not provide evidence of the effect. Reducing the size to 2ha will include urban and peri-urban areas where the lines defining impactors and those who benefit will be to say the least blurred.
- Third, the development of the funding framework for the LLS has been under a cloak of secrecy with only barest effort to Consult the Public with this far reaching, wide ranging shifting of costs and expansion of "government" services from the combining of the LHPAs, CMAs and DPI advisory services. Proof of this is the fact that there were only 25 submissions to the draft Report, 3 of them from local authorities - when there are 152 affected councils.
- Fourth, the recommendation to expand flood mitigation levies, similar to the Hunter flood mitigation levy, to other Lands Service Boards (Recommendation 14 of the Draft Report) is entering into the responsibility of state and local governments and certainly have rate and levy payers making payments for the general rather than the local good.
- Fifth, I am concerned that increasing rates and levies will erode the principal revenue source of local government.
- Sixth, I oppose the expansion of the Local Land Services revenues into environmental levies on rateable properties so that LLSs can expand into environmental projects that are currently being carried out by local government even though recommendation 15 of the Draft Report expresses a condition that there should not be a duplication of rate/services provided by local government. One only has to look at State and Federal Government relations in areas, such as Education and Health, where there is jurisdictional conflicts as one governmental body moves further into the realm of another.
- Seventh, as long as it remains Government Policy to apply rate pegging to local government then the LLS should also have rate pegging applied. Combined with this the LLS should also go through the rigour of Community Consultation for their Strategic Plans and for rate variations above rate pegging.