

Dr Peter J Boxall AO
Chairman
The Local Government Team
The Independent Pricing and Regulatory Tribunal
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Dear Dr Boxall

REVIEW OF FUNDING FRAMEWORK FOR LOCAL LAND SERVICES (LLS) NSW

Thank you for the opportunity to make a submission to the subject report.

June Shire Council is very concerned with a number of recommendations in the report that relate to the operational aspects of Local Government. This Council is strongly opposed to the following:

1. The reduction in minimum size of rateable land from 10h to 2h.
2. Local Government being used as a collection service for State Government
3. The removal of public land management authority rate exemptions

1. The reduction in minimum size of rateable land from 10h to 2h.

The reduction in the minimum rateable land area, down to 2h, would impact upon approximately 190 properties in the June Local Government Area. It appears from the review paper that a flat rateable fee would be levied on these properties. The connection drawing small rural holdings into the scheme of larger rural holdings impacting on the service delivery of LLS is disputed. As this Council understands the situation, the LLS main service function will be:

- advice on production for farm businesses
- biosecurity including plant and animal health
- plant and animal pest control
- natural resource management, and
- emergency response

Our small rural holdings constituents are active land managers. Very few involve themselves with livestock or are producing farm businesses. By way of example, chicken fowl could be considered as a biosecurity risk and while some of our rural small holdings would have fowl on the properties, there would be larger numbers in our urban and village areas.

This Council would prefer to see a user pay or regulatory penalty model deployed for LLS services applied to landholders under 10ha rather than a introducing a general rate.

2. Local Government being used as a collection service for State Government.

This Council is disappointed with IPART's position: *However, due to a shortage of data, we have not been able to analyse the current costs of LHPA's collection mechanism (p.60)* as a reasonable response given the fundamental importance of the issue within the report.

It appears that only two revenue collection models made their way into the report. This Council considers this was too narrow given there are other revenue collection services in place with a number of State Agencies.

The impact and duplication of resources across 152 individual Local Governments compared to a single based collection service seems quite bazaar. Then there is the issue of defaulting ratepayers and debt recovery services upon 152 Local Governments which Councils would potentially be responsible for – this issue has not been addressed in the report and should have been, particularly as new rateable properties down to 2ha may be created.

The perception affect. If Councils were required to levy additional rates, this would create expectations amongst property owners that the Council is providing LLS services. No amount of margin cost recovery generated from undertaking such a collection service would compensate Council's obligation over the potential relationship damage with our community caused through mistaken service delivery roles.

3. The removal of public land management authority rate exemptions.

Firstly, IPART is well aware of the financial pressure that Local Government is facing at the moment. It is aware of the Independent Local Governments Review Panel reports and the TCorp assessments for each Local Government Authority in NSW. Both these documents send strong signals for Local Government to be focused of fiscal restraint while raising revenue to address infrastructure backlogs. It is disappointing that IPART failed to recognise these aspects in their report while considering removing rate exemption for Public Land Managers. The proposal will have a financial impact on Council's operating position and therefore is not supported.

This Council has a number of public reserves which it manages and which it has made significant financial contribution towards improving environmental land management. This Council is opposed to the removal of the exemption because, as a public land manager, it believes it already acts consistently with the objectives that the LLS is attempting to achieve.

Yours sincerely



James Davis
General Manager