



## Submission To:-

### Review of Funding Framework for Local Land Services

Lismore City Council at its meeting held on the 10 December 2013 unanimously resolved to object to a proposal by the LLS Board of Chairs that councils be required to collect or pay LLS rates in respect of land below 2 hectares and to make council land holdings subject to LLS rates.

Council is extremely disappointed that at a time when two major reviews are underway into the operation of local government in NSW, that a Government body would see fit to arbitrarily recommend such a fundamental change. This piecemeal approach is completely rejected by Council and should be rejected by IPART.

It is noted that Local Government NSW is strongly opposed to these changes as they represent a very significant cost shifting exercise from state to local government:

#### Issues

- The apparent reversal of the basic principle suggested by IPART that Local Land Services (LLS) should recover their cost in the first place by targeting actual risk creators and/or beneficiaries with a fee for service arrangement - The Board of Chairs' submission appears to shift the funding model to a model that relies on general taxation tools such as a base rate and a rate for natural resource management.
- The recommended abolition of the land area threshold of 2 hectares for land that could be subject to a LLS rate for the proposed base rate and the rate for natural resource management - Council strongly opposes lowering of the threshold as it would result in an encroachment of LLS rates into urban and peri-urban residential areas, potentially including strata properties.
- The proposal that councils should collect the base rate and the rate for natural resource management for land with an area below 2 hectares – Council strongly opposes using councils to collect LLS rates on the grounds that:
  1. It results in a lack of accountability of LLS boards as ratepayers are likely to perceive any LLS rate/levy collected by a council as a Local Government levy, even if the rates notice indicates that it is an LLS charge;
  2. There would be considerable collection costs and complexity in using 152 councils to collect LLS rates; and
  3. It would cause confusion for urban property owners.

- The recommendation that all exemptions for public land holders be removed – Council objects to this proposal. 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. Further, 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 to be subject to LLS rates.

It seems obvious that the LLS should be responsible for both expenditure and revenue collection as it would create in-built controls on its expenditure growth and ensure appropriate transparency in the collection of the tax rather than shifting costs to Local Government.