



1 July 2013

Independent Pricing & Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office
SYDNEY NSW 2000

Dear Sir

**RE: REVIEW INTO THE DEVELOPMENT OF A FUNDING FRAMEWORK FOR
LOCAL LAND SERVICES NSW**

Further to the IPART 'Issues Paper' which reviewed the funding framework for Local Land Services NSW I wish to advise that Council considered the matter at its meeting of 17 June 2013 and further during a workshop on 24 June 2013.

The following matters were raised:

1. *Do you agree with IPART's proposed cost recovery principles? Are there other factors IPART should consider in developing its costs recovery principles?*

Council agrees that LLS boards should adopt relevant cost recovery principles but feels collection and administration of the fees should be conducted by the LLS Board themselves as has been done in the past by the Livestock Health & Pest Authorities, Catchment Management Authorities and Agriculture NSW.

2. *Should we use the cost recovery frameworks that we have identified from other jurisdictions? Are there other examples of cost recovery frameworks that we should consider? ie CMA, Livestock Health & Pest and Agriculture NSW?*

- a. *Stock carrying capacity (\$ / stock unit)*
- b. *Land area (per hectare / \$ / ha)*

If fees are levied and collected by the LLS the frameworks previously used, ie stock carrying capacity and land area, would be suitable but if fees are levied and collected by Councils our databases are not configured for this information and as the basis for NSW rating, 'unimproved capital value' should form the basis for the fee structure.

3. *Do you agree with IPART's approach which includes a series of stages and 'key questions'? Can our suggested approach be improved?*

☎ (02) 6354 9999
☎ (02) 6351 4259

🌐 www.lithgow.nsw.gov.au
📧 council@lithgow.nsw.gov.au

✉ ADDRESS CORRESPONDENCE
TO GENERAL MANAGER
PO BOX 19, LITHGOW NSW 2790

Yes Council agrees with IPART's approach which includes a series of stages and key questions. It is regarded as methodically and not rushed.

4. *How should we indentify the demand for the services provided? How should we identify the main party or parties that benefit from or contribute to the need for the services?*

Demand for service would best be advised from the current providers ie CMA, Livestock Health & Pest and Agriculture NSW the would best know their clients at this time.

5. *Should a sliding scale arrangement be used to apportion costs between parties using LLS services? If so, are the percentages used for the State / Commonwealth Plant and Animal deeds appropriate for use?*

Yes a sliding scale should be used to apportion costs and Council consider the relevant split to be:

Public / Industry 20% to Private / Landholders 80%

6. *Should a risk matrix approach be used to apportion cost between parties using LLS services? If so, what percentages would be appropriate to apply to the relative risks imposed by different stakeholders?*

Yes a risk matrix approach should be used to apportion costs between parties using LLS services.

7. *Can we assign weights (high, medium and low) to reflect the impact each party has in requiring the service be provided?*

Council agrees with the split example as shown in Table 6.4 on page 43 of the issues paper.

8. *Should IPART use the Stakeholder Reference Panel's consultation outcomes to apportion costs shares for LLS services? Are there issues with this approach?*

Council strongly agrees with the use of the Stakeholders Reference Panel consultation outcomes to apportion costs for LLS. It was indicated that those present were the most affected by any proposed changes.

9. *Should LLS boards be able to exercise discretion under the draft Cost Recovery Framework when determining cost shares between parties?*

It is assumed the LLS Boards would be governed by a rules, regulations and policies as guidance and as long as actions taken were within the guidelines no issues are foreseen.

10. *Do you agree with the approaches discussed by IPART to apportion cost shares? If not why not? Can you suggest another way to determine efficient cost sharing that is transparent and practical?*

As previously indicated if fees are levied and collected by the LLS the frameworks previously used, ie stock carrying capacity and land area, would be suitable but if fees are levied and collected by Councils our databases are not configured for this information and as the basis for NSW rating, 'unimproved capital value' should form the basis for the fee structure.

11. What information is publically available on an appropriate split between parties that would use LLS services?

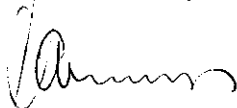
Council has no publically available data on the split between parties other than those quoted in the issues paper.

Other issues Council wishes to raise are:

- No details are provided advising what services LLS will provide
- It is assumed Council will be issued an annual invoice for payment from the LLS but to levy and collect fees Council will do so on a quarterly basis in the annual rate instalment notices
- Debt recovery for non payment of fees will fall on Council
- Council strongly opposes cost shifting of the function from the State to Local Government

Should additional information may be required please contact Mrs Carol Farnsworth on 02 6354 9939 or email Carol.Farnsworth@lithgow.nsw.gov.au.

Yours sincerely



Mrs Carol FARNSWORTH
FINANCE MANAGER