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13 December 2013

The Independent Pricing & Regulatory Tribunal
PO Box Q290
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Email: ipart@ipart.nsw.gov.au

Attention: Mr Colin Reid

Dear Mr Reid

REVIEW OF A FUNDING FRAMEWORK FOR LOCAL LAND SERVICES NSW—COMMENTS ON SUBMISSION FROM THE LOCAL LAND SERVICES BOARD OF CHAIRS

Nambucca Shire Council considered the submission from the Local Land Services Board of Chairs at its meeting on 11 December 2013.

Council notes that IPART are required to develop an efficient and transparent cost recovery framework, including the proportion to be funded by Government, for Local Land Services (LLS) Boards to set fees for the different services provided. Council also notes that you are required to advise on an efficient rating base for compulsory fee collection and an efficient fee collection mechanism.

Council is aware that in September 2013 IPART prepared a report on a cost recovery framework and complementary pricing system for use by the LLS. Council supports IPART's recommendations that where practicable, LLS should directly charge an individual landholder a fee for service as this provides the best link between the risk creator/beneficiary with the demand for the service.

In response to the draft report, the LLS Board of Chairs has proposed amongst other things that:

- 1 Councils utilise their existing processes and databases to collect the rates for areas below 2 hectares and
- 2 Public landholders, including councils, pay rates to the LLS.

Nambucca Shire Council strongly objects to these proposals from the LLS Board of Chairs for the following reasons:

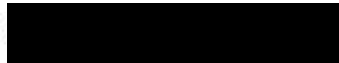
- 1 The proposal for Councils to collect rates for areas below 2 hectares is contrary to the central tenet of IPART's recommendations that there be a clear nexus between the service, the service provider and the risk creator/beneficiary.
- 2 The use of a third party (Councils) to collect LLS rates for areas below 2 hectares will reduce LLS accountability for establishing and justifying their rates with the owners of the properties

most likely to dispute the existence of a nexus. The small size of these properties will mean that in many instances they will be more akin to an urban garden than any type of farm.

- 3 There will be costs to Councils in coding LLS rates, maintaining the LLS rating database, answering enquiries and in debt recovery.
- 4 The use of a third party (Councils) to collect LLS rates will be confusing for LLS ratepayers.
- 5 There are already too many State Government taxes and funding requirements for different agencies "hidden" in local government rates and charges. The Waste Levy and Rural Fire Service funding are just two examples.
- 6 In terms of equity there are numerous exemptions to local government rates, particularly Crown Land, which should be dealt with before any consideration is given to the nil tenure approach to rating recommended by the LLS Board of Chairs.

Nambucca Shire Council urges that IPART reject the Board of Chairs' proposals that councils collect LLS rates and secondly, reject the proposal that councils pay rates to the LLS.

Yours faithfully

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**MICHAEL COULTER
GENERAL MANAGER**

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