



Office of
Communities
Aboriginal Affairs



Our Ref: AAD13/7672

IPART

Doc No

Dr Peter Boxall
Chairman
IPART
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Dr Boxall,

I refer to the Independent Pricing And Regulatory Tribunal (IPART) draft Report, *Review of funding framework for Local Land Services NSW*. I would like to take this opportunity to raise the potential impact of rates and funding mechanisms on Aboriginal communities and landholders in NSW.

Aboriginal Affairs, through OCHRE, the NSW Government plan for Aboriginal affairs, is developing a Framework for Aboriginal Economic Development, which will set out a range of actions to support Aboriginal economic development, including the growth of the Aboriginal primary production and natural resource management sector.

Aboriginal Affairs broadly supports the principles outlined in the draft Report. However, there is potential to extend these principles in relation to Aboriginal landholders, in order to support both biohazard reduction and Aboriginal economic development outcomes.

The principle that landholders should be levied in proportion to biohazard risk is sound, but there is a strong argument that this should take into account the ability to pay. Many Local Aboriginal Land Councils (LALCs) do not have an ability to pay land rates. The point could also be made that helping Aboriginal communities and landholders become economically viable, through primary production for example, may be necessary to fund landscape scale biohazard mitigation at least cost in the longer term. In other words, some short term cross-subsidisation may be warranted in this case, to increase Local Land Services Board (LLSB) structural efficiency in the long term.

In cases where LALCs are financially incapable of paying rates and levies, support for Aboriginal economic development and time limited exemptions from rates has the potential to mitigate biohazards in the longer term.

There is a strong case for the draft Report to provide clear and specific guidance to this effect, in relation to LLSB funding and rating decisions. In practice, while this will be a matter for LLSB decision making, providing specific guidance could assist greatly in this regard.

It could, for example, enable LLSBs to work with LALCs to make 'payment in kind' in lieu of rates through natural resource management service contracting arrangements, or construct

long term LLSB support for Aboriginal primary production as an investment in biohazard mitigation, with rates to be phased in over time. These measures would support the goals of the NSW Aboriginal Economic Development Framework that is currently under development.

I look forward to working with you in this important area. The contact officer in Aboriginal Affairs is Mr Peter Swain, Director Reform and Strategy. Mr Swain can be contacted on (02) 9219 0720 or by email at Peter.Swain@aboriginalaffairs.nsw.gov.au.

Yours sincerely


Jason Ardler 28.10.13
General Manager