

Mark Ferguson, General Manager
Telephone: 9970 1105

13 December 2013

Dr Peter J Boxall AO
Chairman
Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
QVB Post Office NSW 1230

Dear Mr Boxall

**Re: Review of Funding Framework for Local Land Services NSW -
Response to Local Land Services Board of Chairs Submission**

Thank you for invitation to make a submission to IPART on the proposal put forward by the Local Land Services Board of Chairs (December 2013) concerning the funding framework for Local Land Services NSW.

Council would like to take this opportunity to strongly object to two of the 5 recommendations put forward by the Board of Chairs.

They are as follows:

In relation to Recommendation 2, extract as follows:

Recommendation:

"LLS BoC recommends that all risk creators are subject to the LLS rate including land holdings below 2 ha (excluding commercial and industrial land).

While recognising IPART's concerns surrounding both administrative efficiency and education of risk creators (which in itself is a mitigation strategy), the LLS BoC would like to propose the concept that for areas below 2 ha, Councils utilise their existing processes and databases to collect the rates."

Pittwater Council feels that this is a large impost on Local Government and the assumption that "Councils utilise their existing processes and databases to collect the rates" is trivialising the impact on Local Government. Any rate, fee or charge that is collected by a Council must be levied, issued to customers, collected, reconciled and held in reserve/trust to either be expensed or forwarded. This process can be costly and time consuming, especially where legal action is required for the recovery of funds.

If the Local Land Services Board of Chairs recommendation is supported allowing for properties of 2ha and below to be rated for the purposes of Local Land Services, Council would be required to levy some 25,400 properties within its Local Government area, including some 700 properties that do not currently receive a rates notice due those parcels holding a non-rateable category. Comparing this process to that recommended by IPART in its Draft Report, whereby properties with a land size greater than 2ha be rated, Council would only hold some 250 properties that fall into these parameters. The differential is enormous and the burden excessive. Furthermore, IPART is additionally recommending a negotiated fee for service between Councils and the Local Land Services thus avoiding any cost shifting. The Local Land Services Board of Chairs recommendation appears to be mute of this issue which is of concern.

Accordingly, Pittwater Council strongly objects to the Local Land Services Board of Chairs Recommendation 2, as simply shifting the burden of collection from the Local Land Services to Councils on a grand scale without compensation and proper thought concerning the complexities of levying and collection of said rates.

The notion of 'Tax Space' also further erodes Council's capacity to raise funds within its own community. Creating a competitive tax and seeking Council to collect it generates the perception of Council enlarging its rating base.

Furthermore, Pittwater Council's position above supports Local Government NSW's position (submission dated 9th October 2013) that *".... The final report should make it very clear that councils would need to agree to any request from LLS boards to collect LLS rates on their behalf. Currently, the draft report states that LLS boards "... should be able to seek the services of local government to collect some ... rates ... ". However, there should not be any automatism. Collection services should only be undertaken by councils if they agree to it."*

In relation to Recommendation 5, extract as follows:

"Recommendations:

That exemptions for public landholders are removed.

That LLS engages in a process with these land managers to determine how they will manage their risk management obligation and contribution to LLS."

Pittwater Council strongly objects to Council potentially having to also pay the Land Services Rate as well as collecting them.

As stated by Local Government NSW in the submission dated 9th October 2013, *"Further clarification is needed as to the treatment of council owned land and Crown land under council management both in terms of the potential liability to pay LLS rates and charges and in terms of coordination of public land management between councils and LLS boards. This is particularly relevant where councils already undertake natural resource management and/or manage biosecurity threats on their land (e.g. bushland reserves) or on Crown land (e.g. conservation areas, caravan parks). This is also relevant for other larger council landholdings such as open spaces or parks in urban areas. It is also important that charges, levies and rents already paid to the NSW Government in relation to such lands are taken into account. These issues could be dealt with by way of an adequate exemption and discount regime."*

The Board's recommendation that exemptions for public landholders are removed therefore making Council land holdings subject to the Local Land Service Rate is strongly objected to. Council currently has care control and management of numerous public land holdings both owned or on behalf of the Crown of which incur costs as to the management of these sites including that relating to minimisation of biohazards such as pest and weed control. To be additionally levied with a rate from Local Land Service as to how to care for such sites is indefensible.

While Council supports the notion of a Local Land Services Board, any impost that is directed toward Local Government without merit, consideration or appropriate compensation for services undertaken cannot be supported by Pittwater Council.

Yours Sincerely

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Mark J Ferguson
General Manager
Pittwater Council