



## Local Land Services Bill 2013 (Proof)

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Extract from NSW Legislative Council Hansard and Papers Thursday 20 June 2013 (Proof).

## LOCAL LAND SERVICES BILL 2013

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### Second Reading

**The Hon. DUNCAN GAY** (Minister for Roads and Ports) [11.18 a.m.]: I move:

That this bill be now read a second time.

It is with a sense of pride that I introduce the Local Land Services Bill 2013. The reforms contained within this bill are the most significant in more than 60 years and they will reform the way our farmers and land managers access government agricultural advice, biosecurity and natural resource management services. The Local Land Services Bill 2013 will create a regionally based structure known as Local Land Services to deliver an integrated suite of services to farmers and landholders. These services will relate to agricultural production, biosecurity management, including animal and plant pests and diseases, natural resource management [NRM] and, importantly, emergency management. It will establish local boards for the purposes of devolving the operational management and planning functions to regional levels.

Local Land Services will provide improved coordination of activities and a single point of contact for its users within the regions. It will work closely with communities and make the best use of local knowledge and expertise to address regional priorities in the most effective and pragmatic way, and it will engage the community. Each Local Land Service will be required to develop local strategic plans that reflect local priorities and to report annually on the delivery of outcomes of their investment and activities. To provide assurances to ratepayers, farmers and the community that they are getting value for money, each Local Land Service will have its performance audited by an independent body. The Natural Resources Commission will be asked to be the independent performance auditor of Local Land Services for natural resource management activities in the first instance—as they do now for catchment action plans. Following consultation, I foreshadow that the Government will be moving some amendments. I commend the bill to the House and seek leave to have the balance of my second reading speech incorporated in *Hansard*.

#### Leave granted.

It is with a great sense of pride that I have introduced the Local Land Services Bill 2013.

The reforms contained within this Bill are the most significant in more than 60 years to the way our farmers and land managers access government agricultural advice, biosecurity and natural resource management services.

#### Legal explanation of the Bill

The Local Land Services Bill 2013 will create a regionally based structure known as Local Land Services to deliver an integrated suite of services to farmers and landholders.

These services, which will be known as Local Land Services, will relate to agricultural production, biosecurity management including animal and plant pests and diseases, animal welfare, natural resource management (NRM), chemical residue management, travelling stock reserves, other matters relating to stock, related services and programs and importantly, emergency management.

It will establish local boards for the purposes of devolving the operational management and planning functions to the regional levels.

Local Land Services will provide improved coordination of activities and a single point of contact for its users within the regions. It will work closely with communities and make best use of local knowledge and expertise in relation to the provision of local land services.

As a regionally based organisation, Local Land Services will be in a position to address regional priorities in the most effective and pragmatic way and engage the community, for example, through Local Community Advisory Groups established to support each Local board.

Local Land Services will be created through the amalgamation of the 11 Catchment Management Authorities (CMAs), the 14 Livestock Health and Pest Authorities, and the extension services of the Department of Primary Industries (DPI).

It will bring together the contemporary planning, governance and accountability framework of the CMAs with the landholder relationship and regional representation strengths and biosecurity management of the LHPAs.

The legislation that currently governs the CMAs and LHPAs will be repealed when the Local Land Services Act commences on 1 January 2014.

The Local Land Services Bill 2013 is designed to create the new Local Land Services framework and to carry forward those provisions of the *Rural Lands Protection Act 1998* and the *Catchment Management Authorities Act 2002* that will still be relevant under the Local Land Services system.

These include mechanisms for the charging of rates, levies and contributions on landholders and fees for services. One of the bill's objectives is to provide a framework for financial assistance and incentives to landholders—this means the current provisions for issuing grants under the *Catchment Management Authorities Act* will also continue.

The Local Land Services Regulation, which is attached as a schedule to the Bill, will largely remake the *Rural Lands Protection Regulation 2010* and the *Catchment Management Authorities (Hunter Central Rivers) Regulation 2010*.

I will now describe the main provisions of the bill.

The bill establishes Local Land Services as a statutory corporation that will act through a board to be known as the Board of Chairs. Local Land Services will represent the Crown, as the CMAs currently do.

Staff of Local Land Services will be employed through a division of the Government Service, but they will not form part of the NSW Public Service.

The State will be divided into 11 regions, each having its own local board. Each of the local boards will have a Chair who will also be a member of the Board of Chairs.

The Board of Chairs will comprise the eleven chairs of local boards and an independent Chair.

The bill provides the Minister with discretion to appoint additional members if a specific area of expertise is required by the Board of Chairs however, these people will have no voting rights.

The Board of Chairs will oversee the implementation of the functions of the Local Land Services as prescribed in the bill and referred to earlier. All of these functions can be delegated to members of the local boards for practical development and implementation. For example, functions relating to rates, programs, advisory services and training and education programs can be delegated for delivery at the local level.

At the same time as delivering locally, Local Land Services will need to be aware of the state and national context within which it operates. It will be imperative that when Local Land Services functions are exercised they are informed by state and national priorities. For example national priorities in relation to biosecurity and emergency such as the National Livestock Identification System (NLIS) and the Intergovernmental Agreement on Biosecurity or state priorities such as the state wide standards and targets for natural resource management issues.

In their role as a member of the Board of Chairs, each local Chair will be required to take a State perspective when developing the State Strategic Plan, as opposed to advocating for local issues and priorities – these can be addressed in the Local Strategic Plans for their region.

The Chair of the Board of Chairs, will be appointed as the Division Head of the Local Land Services Division under the *Public Sector Employment and Management Act 2002*. This means that he or she may exercise the employer functions on behalf of the government in relation to Local Land Services staff. The Chair of the Board of Chairs can delegate these employer functions on a regional basis and to the local level to ensure efficiencies in operation.

All local boards will have seven members—three elected by the ratepayers of the Local Land Services region and four appointed by the Minister, except for the Western region where the ratio will be 4:5. The Minister will appoint the Chair of the local board.

Local board members will be able to serve two consecutive three-year terms. If however the person is chair of the local board they may serve three consecutive terms, but only two of those can be as chair.

This will allow for continuity and succession planning while minimising the risk of ideas and strategies becoming stale and complacency developing in relation to implementation and compliance with policies and procedures.

Each local board will have a general manager to drive day-to-day operations.

I will now outline the functions to be performed by the local boards.

The role of the local boards is to deliver identified priority services at the regional and local level, and to give effect to State and national policies.

The local boards, through the general managers, will ensure that agreed Local Land Services programs are delivered and that adequate staffing and resources are available and accounted for.

Staff will deliver services relating to: agricultural advice, animal and plant biosecurity, livestock traceability, chemical residues, animal welfare and invasive species management, emergency response capabilities, and NRM support services to farmers, landholders and local communities.

It is important to note that during an emergency response where government action is required, Local Land Services officers can be directed to take action by the Director General of the Department of Trade and Investment. This is consistent with current provisions and practices under the Rural Lands Protection Act.

Some Local Land Services staff will also have a compliance function and be appointed as authorised officers. The compliance provisions in the bill have also been carried forward from the Rural Lands Protection Act, including in relation to the ability for authorised officers to effect compliance with a Pest Control Order made by the Minister.

The Minister, the Local Land Services and the Director General of the Department of Trade and Investment will have the power to appoint authorised officers under the Local Land Services Act.

Local Land Services will also have a key planning role, building on the Catchment Action Plan model.

The Board of Chairs will be responsible for developing a ten-year State strategic plan, which will set the overarching vision and priorities for local land services across the State.

The plan will detail the outcomes expected to be achieved within defined time frames. The plan must have regard to any State priorities for Local Land Services including statewide targets, any national or State priorities such as those agreed through intergovernmental agreements, provision of any environmental planning instruments, any existing NRM plans and the need for engagement with the community including the Aboriginal community.

Each local board will develop one or more five year local strategic plans, which will include the vision, priorities and strategies in respect of the delivery of local land services to achieve the appropriate social, economic and environmental outcomes for their region.

The content of the local strategic plan will be broadly aligned with the State strategic plan but with a stronger focus on local priorities. It may also include provisions that relate to water quality or other non-regulatory water management issues in the region.

To start with, the Catchment Action Plans recently finalised by the CMAs will be adopted as local strategic plans. However, the Catchment Action Plans only deal with natural resource management functions, so comprehensive local strategic plans addressing all Local Land Services' functions for a region will have to be prepared as soon as practicable after the Local Land Services Act commences.

The bill provides that the State strategic plan and the local strategic plans will be publicly exhibited, providing an opportunity for community input. All these plans must be approved by the Minister, and once approved must be published so that they are readily accessible to the community.

Approval of the natural resource management components of the plans will require the concurrence of the Minister for the Environment.

Before approving a plan, the Minister must seek the advice of any person or body engaged to carry out an independent audit of the activities of Local Land Services. It is proposed to ask the NRC to continue their auditing function in relation to the NRM or CAP component of the plans.

Public exhibition of draft strategic plans is not the only way in which the community can input into their Local Land Services.

The bill includes a requirement for each local board to establish a local community advisory group. These groups will typically have between six and 12 members representing the community, key regional businesses and stakeholder groups.

Members will be selected by the local boards. Membership will not be restricted to Local Land Services ratepayers, but will consist of those persons the local board considers suitably qualified and representative of the local community and stakeholders in the region.

The local board will be required to develop a terms of reference for the community advisory group/s in their region so that there is a clear focus and understanding of expectations and roles.

Ideally, this group should meet at least twice a year.

The bill contains several provisions designed to make the mechanics and the performance of Local Land Services transparent and accountable.

As would be expected, Local Land Services will be required to produce an annual report including a financial report, performance against the State strategic plan, progress in achieving compliance with state priorities, community engagement and resources expended and revenue received by Local Land Services and the management of programs in each region. The Minister may also request reports into other relevant issues.

As well as these provisions, there is a requirement for an independent audit to be carried out at least every five years,

to consider whether the functions of Local Land Services are being carried out effectively and efficiently and in accordance with State and local strategic plans.

The Minister may also at any time, arrange for an audit of the exercise of all or any particular functions of Local Land Services.

I will now outline the funding arrangements for Local Land Services.

The bill provides powers for Local Land Services to impose rates, levies and contributions on rateable land or other prescribed land in a region.

A new rating methodology is being developed in consultation with IPART, which is expected to be finalised within two years. It will be implemented via an amending Regulation in due course.

In the meantime, both the current Rural Lands Protection rating system and the catchment contribution system for the Hunter-Central Rivers CMA will continue, except that Local Land Services will now have the power to make rates.

The most recent notional carrying capacity assessments undertaken in accordance with the Rural Lands Protection Act will continue to be used as part of the rating formula to determine rates—until new provisions are made following the IPART review.

Any outstanding rates or contributions owing to the CMAs and LHPAs will be payable and recoverable by the Local Land Services. In addition, any tagged assets from the LHPAs or CMAs will flow to the appropriate new Local Land Services region.

Most money received by the Local Land Services, including grant funding, will be paid into the central Local Land Services Fund and then redirected as required to the accounts of the relevant local board.

The bill carries over large parts of the Rural Land Protection Act and the Catchment Management Authorities Act, amended to reflect the Local Land Services structure. Parts carried over from the Rural Lands Protection Act include:

Part 6—Travelling stock reserves and public roads

Part 7—Stock watering places

Part 8—Impounding of unattended and trespassing stock and abandoned articles

Part 9—Transportation of stock by vehicle

Part 10—Pests

Part 11—Powers of authorised officers

Part 12—Enforcement provisions

Part 13—Administration of functions of Local Land Services or local board

The bill also includes a number of miscellaneous provisions, for example, relating to delegations, acquisition of land, proceedings for offences and regulation-making powers.

There is also the usual requirement for a statutory review of the Act to commence five years after implementation.

There are also provisions to protect the Minister, board members and Local Land Services staff from liability for acts or omissions carried out in good faith for the purpose of executing the Act.

I will now outline the Schedules to the Act.

Schedule 1 provides for the Local Services Regions—as I have advised there will be 11 regions:

1. Western
2. Murray
3. Riverina
4. South East
5. Central West
6. Central Tablelands
7. Greater Sydney
8. North West

9. Hunter

10. Northern Tablelands

11. North Coast

Schedule 2 provides for the constitution and procedures of the Board of Chairs and the local boards. These are essentially machinery provisions relating to filling vacancies and procedures of the boards.

Schedule 3 reflects provisions of the Rural Lands Protection Act in relation to charges on land for unpaid amounts.

Schedule 4 provides machinery provisions in the case where the Minister may have appointed an administrator to Local Land Services or a local board.

Schedule 5 again reflects a rollover of provisions from the Rural Lands Protection Act in relation sale of land for unpaid money.

Schedule 6 includes saving, transitional and other provisions including the transfer of assets, rights and liabilities of State Council, LHPAs and CMAs to Local Land Services.

Schedule 6 also provides for the establishment of interim local boards and an interim Board of Chairs prior to the commencement of the Act, so that Local Land Services can 'hit the ground running on 1 January 2014.

Interim local boards will comprise four ministerially appointed members, except for Western region where there will five members. One of these members will be appointed as interim chair and consequentially as a member of the interim Board of Chairs.

These members will be appointed until 1 January 2014 after which time they may be reappointed to the statutory local board for a period not exceeding four and a half years. This time frame will allow for membership of elected and appointed members of local boards to be staggered so that there is continuity on the boards.

Again for continuity, the chair of the interim local board may be appointed as the chair of the statutory local board and as a member of the Board of Chairs.

The independent chair of the interim Board of Chairs will be appointed under provisions of the Public Sector Employment and Management Act and will become the chair of the statutory Board of Chairs.

The role of these interim bodies will be to carry out such functions as directed by the Minister relating to the administration of the Act—for example, commencing with the development of the strategic plans, operational policies and delegations.

This Schedule also explicitly provides for the continuation of the Catchment Action Plans that are currently in force.

Schedules 7 and 8 provide for consequential amendments to other Acts, regulations and statutory instruments.

Schedule 9 will become the Local Land Services Regulation.

Parts 1-3 of Schedule 9 rollover provisions of the Rural Lands Protection Act with regard to rates and annual returns.

As noted earlier, the current methodology for making and collecting rates will remain unchanged for now. Rates will continue to be calculated based on LHPA districts, however, the funds collected will be distributed proportionally to the new Local Land Services regions.

By enabling Local Land Services to make rates without requiring approval from the Minister, Local Land Services will be able to take greater ownership and stewardship in the delivery of Local Land Services functions.

Part 4 of Schedule 9, rolls over the provisions relating the levying and collection of the Hunter-Central Rivers catchment contributions and other matters relating to the making of catchment contributions.

The Hunter-Central Rivers catchment contribution will be allocated to the Hunter Local Land Services region for defined natural resource management activities.

Parts 5-10 and 12 are rollover provisions relating to travelling stock reserves and public roads, stock watering places, impounding of stock, transportation of stock by vehicle, pests, authorised officers and stock identification as are provided for in Parts 6-13 of the bill.

Part 11 deals with eligibility for nomination and election or appointment of members to local boards.

An appointed member of a local board must, in the opinion of the Minister possess knowledge skills or expertise in at least one of the following areas:

- Leadership, strategic planning and management,
- Community participation, regional service delivery and working with industry, government and other partners,
- Audit, financial control, reporting and risk management,

- Primary industries or providing services to support this sector
- Contemporary biosecurity programs in animal and plant health, pest and weed management
- Emergency management especially biosecurity and natural disaster emergencies
- Natural resource management and biodiversity conservation
- Working with aboriginal groups and communities and or
- Local government.

When appointing a member to a local board, the Minister should have regard to the principle that the person should, if possible, reside within the region.

Elected members to the local board however must reside in the region, unlike the current process where eligibility is determined based on being an owner or occupier of rateable land.

Now, any appropriately qualified person who resides in the region may stand for nomination and election to a local board. This will provide a broader base from which members can be elected and will result in well qualified local boards who will make a difference at the local level.

Voting rights will remain linked to rateable land.

Schedule 9 also prescribes how elections are to be held.

Participation in elections will be voluntary.

The Schedule provides for an election to be held via a postal or electronic system. It is anticipated that as Local Land Services establishes, more efficient ways of conducting business will be pursued.

The current paper based election system currently administered by the LHPA is inefficient and costly to ratepayers.

The principles associated with the conduct of elections remain unchanged - that is, notice of the election must be made, rolls will be established and objections may be lodged with respect to any names appearing on the roll.

Candidates must provide information on their eligibility for nomination and election including how they satisfy the knowledge skills or expertise criteria required for appointed members.

The only other change proposed to the election process at this time is that only one person may be nominated for or vote in an election with regard to a rateable holding.

A person may not nominate for or be elected to multiple regions.

The election process will be reviewed following receipt of the IPART report and consideration of a new rating system.

This bill will provide a streamlined, efficient framework for the delivery of services relating to agricultural production, natural resource management, biosecurity and emergency management.

Through Local Land Services, landholders will have access to a network of resources and specialist advice to help them improve productivity and protect their properties from pests, weeds and diseases.

Advice provided by Local Land Services on natural resource management will enable them to pass their properties on to future generations in better condition.

The establishment of a single legal entity makes sense for landholders, government and the broader community.

For 16 years, Labor Governments progressively trimmed, cut and slashed the Department of Primary Industries without any actual strategy for how services could be delivered more effectively. It cut hundreds jobs out from the Department during this period.

As many have mused, DPI was 'hollowed out' to the point of being simply a shell of its former glory.

At the same time, the former government conducted a wholesale, top-down re-arrangement of the Rural Land Protection Boards into the Livestock Health and Pest Authorities.

We also saw the emergence in 2004 of Catchment Management Authorities to specifically deliver natural resource management.

This bill exemplifies the fundamental difference between our side of politics and those opposite when it comes to delivering relevant, contemporary services to our farmers and landholders.

In October 2012 when the formation of Local Land Services was announced, it was done so under the goals articulated

by the O'Farrell-Stoner team when we came to Government in 2011.

The goals are to:

1. put customer service at the heart of service design;
2. devolve decision-making to the community; and
3. restore accountability and transparency and give the community a say in the decisions which affect them.

Local Land Services delivers on the NSW Government's commitments by:

1. Giving our communities the power to make decisions which influence what services are delivered where, and how
2. Acknowledging that farmers and landowners know how to improve the productivity of primary industries and manage our land and water assets
3. Knowing that land managers and community groups are best placed to better manage pests, weeds and diseases and to sustain our land and water assets

We subscribe to the view that truly empowering those who have a commercial and social interest, and who have the local knowledge and expertise, is the most efficient way to help those farmers and landholders solve their challenges and realise opportunities.

In short, we believe these people know best how to solve their problems, not central government.

There is virtually no area of the NSW Government more overdue for reform than how we service our farmers and landowners.

The Department of Primary Industries' extension model was developed in the early 1940s; since then it has had only one major redesign, which was in 1981 by the then ALP Primary Industries Minister, Jack Hallam.

Since the 1940s and even 1981, farmers have seen a huge transformation in both the sources of advice and how it is delivered.

In addition to the traditional State and Federal departments of agriculture, we now have a thriving industry of private, independent consultants offering agronomic, financial, livestock, crop, pasture and farm management advice.

We also have a maturing 'retail' advice network through the distribution channels of the major seed, chemical and fertiliser companies.

The Grain Research and Development Corporation (GRDC) recently estimated that in NSW alone there were more than 700 private sector crop advisers. More than 240 of these were "independent"—meaning they did not receive any commissions from a reseller.

Notwithstanding this private sector advisory market, farmers are today now paying several times over to support multiple government service delivery agencies:

- Agriculture NSW advisory services [DPI extension]
- Livestock Health & Pest Authorities [LHPAs]
- Catchment Management Authorities [CMAs]
- Weeds County Councils
- Wild Dog Destruction Board
- Research and Development Corporations
- CSIRO

...to name the key ones.

Through a plethora of taxes, levies and rates they are paying for all of these services - at a time when the infamous "cost-price" squeeze is being felt the hardest by our farmers whether as a result of unprecedented appreciation in the Australian dollar or the imposition of Ms Gillard's carbon tax.

Last year, market research was commissioned into what our "customers" (farmers and landholders) and employees wanted from their government service providers. We were told that this "novel" idea—which is in fact standard corporate practise - had never been considered under the former government.

The employee and farmer surveys found that DPI and CMAs needed to change.

Over half the producers surveyed (54%) felt that the DPI needed to change to meet the needs of rural producers.

In the same period, over 70% of DPI employees surveyed recognised the need to improve the coordination of

Agriculture NSW services with other DPI services.

75% of respondents also said that services of CMAs could be better integrated with those who provide other services to farmers.

Mr Terry Ryan, economist was also asked to undertake a review of the Livestock Health and Pest Authorities. One of the many findings he made was that:

*"...there are opportunities for greater administrative efficiency and improved services to landholders from LHPAs participating with other agencies in joint compliance and advisory functions on pest animals, animal and plant biosecurity..."*

Alarming, under the former government, it was not noticed that the LHPAs had failed to submit annual audited financial accounts since their inception.

Think about this for a moment.

This is an organisation which is in the privileged position of being able to collect rates from landholders – more than \$35 million per annum, yet it did not submit accounts that could be signed off by auditors.

It was rating farmers and landholders - businesses that are expected to submit annual tax returns each year - yet this organisation, under the watch of the former government, could not provide due and proper accountability to government or landholders.

For this key reason, among others, it is unfortunately little wonder that LHPA ratepayers have steadily disengaged from the services provided by the LHPAs.

But it is telling that the Minister of the day - in this instance the Shadow Minister, the Honourable Steve Whan MLC - could not even discharge the most basic of duties by ensuring the organisation accounted for its finances.

I look forward to the shadow Minister perhaps providing an explanation as to why this was allowed to eventuate.

The Ryan Review of Livestock Health and Pest Authorities cast light on the issue and suggested a way forward; and the support for a better way of doing business continued to come from all quarters.

Chairman of Landcare NSW Robert Dulhunty has said:

*"The pendulum swings in Natural Resource Management policy over the last twenty years has made life difficult for landcare groups. The role of landcare has oscillated between being highly valued by government to being seen as a competitor by government agencies. These reforms present an opportunity to get the balance right."*

President of the NSW Farmers' Association Fiona Simson said:

*"We are pleased a new vision for the delivery of services to farmers has been provided. We believe this vision has the capacity to provide the stability needed to meet long term challenges faced by our farmers—something more than just the cuts we have seen in Victoria and Queensland,"*

It is almost unanimously recognised that the time for reform in this space is due and that is what we have done.

The NSW Government does not pretend for one moment that change of the required magnitude will not cause anxiety and concern for employees, farmers and landholders; but we have sought to make these changes in close consultation with those for who these reforms are intended to most benefit.

When Local Land Services was announced in October last year, not all of the detail was known or confirmed. That was consistent with our belief that we wanted to consult with our farmers and landholders in order to build this organisation with them—it is intended to be their organisation.

That is why I assembled the Stakeholder Reference Panel, led by two eminent and respected thinkers in Australian agriculture and natural resource management, Dr John Keniry and Mick Keogh, of the Australian Farm Institute.

The Stakeholder Reference Panel represented the diversity of existing arrangements and land uses in rural, regional and coastal NSW:

- Livestock Health & Pest Authorities;
- Department of Primary Industries;
- Catchment Management Authorities;
- NSW Farmers' Association;
- Greening Australia;
- Landcare NSW; and
- NSW Local Government & Shires Association.



Since October 2012, we have undertaken extensive consultation:

- 22 consultation meetings, 1,500+ attendees, 2,000+ submissions via *Have Your Say* website

Farmers and landholders have expressed:

- strong views on boundaries;
- a desire for boards to be comprised of local people who understand agriculture and NRM, specifically skills based boards;
- that there are great opportunities for better coordination of service delivery by Local Land Services;
- the need for ability for local boards to effectively manage employees;
- no "cost shifting".

We were told by participants at these meetings that plant and animal biosecurity services are of the highest importance, followed by emergency response services, then productivity-related services, and finally natural resource management services.

Local Land Services will deliver agricultural and biosecurity advice, administer natural resource management grants and projects, and assist with emergency and disaster preparation, assessment, response and recovery.

This means delivering valuable services like:

- delivering advice and extension services through PROFarm courses, workshops and field days;
- working with DPI and other R&D providers to ensure farmers have the latest results or can observe or take part in trials;
- providing livestock health, traceability and animal welfare services;
- coordinating programs for declared pests and nuisance animals;
- managing Travelling Stock Reserves; and
- helping to plan, deliver training and other activities to help communities prevent, prepare, respond to and recovery from emergencies

Local Land Services puts farmers and land managers back at the centre of service delivery.

It is hard to fathom how, over a period of 16 years, the former government failed to see the need for better service delivery.

One can only speculate as to why they did not act in the best interests of our farmers and land managers. It has been suggested that when you look at who were the agriculture and primary industry Ministers, a reason emerges. The bottom line is, for too long, the former government resisted making logical reforms because their loyalties rested with their union mates. They resisted any change that involved changes to the status quo in fear of upsetting bureaucracy, and the web of ALP factions and union allegiances.

The benefits of Local Land Services to farmers and landholders are extensive.

We now have an organisation that is unashamedly focused on the needs of local farmers and land managers. It will deliver substantially **improved customer service** by providing one point of contact for a range of expertise.

No longer will we have the DPI extension service officers arriving on the Monday, the LHPA vet on Tuesday, the CMA officer on Wednesday, all seeing the same property owner but not knowing the services the other agencies have provided.

Interactions with farmers and landowners will be coordinated.

Local Land Services and DPI will provide a stronger local presence through a network of 139 retained local offices.

Local Land Services will provide a **simplified, modern governance** model.

There will be one set of boundaries, and a reduced number of board members—a reduction in directors from 202 to 80.

It will provide accountable, local boards through increased transparency measures. Where it was virtually impossible to understand at a local level how much was being collected in LHPA rates and how it was being spent, Local Land Services will now report annually at the local level and independent auditing will be undertaken of their respective performances.

To ensure that the Local Land Services and its local Boards are accountable to, and serving the needs of farmers and

communities, it is essential that good governance, transparency and accountability are front and centre.

An additional benefit of Local Land Services is that it is a financially secure organisation—more so than any of its three founding organisations (LHPA, CMAs and DPI extension).

I am proud to announce that Local Land Services is fully funded.

Over the next four years, Local Land Services will have revenues of more than half a billion dollars. It will have net assets in excess of \$130 million.

There will be no cost shifting to ratepayers, unless the local boards and ratepayers see value and wish to pay for additional or new services by the Local Land Services.

For the first time in almost 20 years, Local Land Services will enable additional resources to be provided for agricultural extension services.

Through the removal of duplication, savings of approximately \$5m per annum in the first full year of operation will be achieved.

New Local Land Services Board of Chairs will be instructed that these savings will be used for frontline services—to either hire more employees, form new partnerships or acquire services from independent private sector advisers.

If Local Land Services boards were to choose to employ additional extension service officers, this could equate to near 50 new extension services positions.

Local Land Services employees, farmers and landholders can look forward to a confident and secure future, as I am pleased to be able to announce the creation of the *Local Land Services Future Fund*.

The \$35 million Local Land Services Future Fund will consolidate the cash reserves of the Livestock Health & Pest Authorities (LHPAs) and Catchment Management Authorities (CMAs) and the annual interest will be made available to the Local Land Service boards to meet local needs and priorities.

These funds have accumulated over many years and the capital will now be managed to maximise earnings for the local boards.

This is the first time in NSW that our farmers and land managers will have had access to such a fund to underpin their agricultural advice, extension services and natural resource management.

The benefits to farmers and landowners as a result of these comprehensive Local Land Services reforms are virtually unprecedented in the history of agriculture and natural resource management in NSW.

The Local Land Services boundaries have been a source of much contention amongst all stakeholders. Previously LHPAs operated their 14 authorities on local government boundaries, while CMAs divided their 11 authorities into river catchments.

The principles underpinning the boundaries for Local Land Services were three- fold:

- agricultural production zones;
- natural geographic and topographical considerations; and
- communities of interest.

While I understand the level of passion and commitment that maps and 'lines on maps' generate, we have been at pains to stress that these are administrative boundaries.

The challenges to be faced by our farmers and land managers today, and into the future, are of a magnitude of complexity that lines on maps reflecting organisational boundaries cannot address.

Local Land Services boards will need to be flexible in order to manage these challenges, which will mean working across administrative boundaries on a daily basis and in an atmosphere of collaboration with neighbouring Local Land Services regions.

Local Land Services will have 11 regions.

This final map is an amalgam of the options presented to me by the Stakeholder Reference Panel.

The major decisions were:

- creation of an amended Central Tablelands region.
- The Western Local Land Services region largely follows the Western Division boundary – but there is the need for further flexibility in the future given the current reviews into Crown Lands review and Local Government.

o Wentworth & Balranald Shires are retained in Western

- o Walgett Shire, including Finch County, as a whole goes into North West
- South East Local Land Services extended to include Yass Valley, Boorowa, Upper Lachlan, Goulburn Mulwaree, Wingecarribee, Wollongong LGAs
  - o Goulburn Mulwaree Council suggestion largely adopted
  - o Wingecarribee Shire maintains strong links south
  - o A number of Have your Say respondents support Illawarra into South East
  - o This maintains a strong farming base in Monaro, the Southern Tablelands & Upper Lachlan areas to balance out smaller landholdings along the coast
- Greater Taree moves into Hunter
  - o This keeps the Mid-Coast Water authority region together
  - o It is supported by Northern Rivers CMA; LGSA and Hunter Rivers CMA
- North West includes Gwydir and Walgett Shires to keep similar agricultural land uses together
- Riverina incorporates the whole of the Coleambally Irrigation Area plus Lockhart & Harden LGAs

Many, many hours of discussion and negotiation have gone into the governance arrangements for Local Land Services.

At the centre of these deliberations have been a series of principles:

- local representation;
- accountability;
- equity; and
- the need for skills based boards.

I firmly believe the governance arrangements reflected in this legislation is honest to these principles and balances out the strength of divergent opinions.

To the first principle of local representation - all elected members of the Local Land Services board must reside in the Local Land Services boundary and government appointments will be sensitive to this principle. This is reflected in the legislation.

Accountability is essential in the Local Land Services model and is a key lesson from the governance arrangements of the LHPAs and CMAs. All board members, whether elected or appointed, will be accountable to local ratepayers, farmers and landholders.

The principle of accountability is also linked to equity. For the foreseeable future, the funding contributions to Local Land Services will be funded substantially from State and Federal taxpayers. As such, Ministers need to be accountable for the expenditure of these funds and therefore this is reflected through the composition of the local Boards.

It is important to note that being a government appointee to the board is not mutually exclusive to the principle of local representation or accountability, quite the contrary.

There have been strong representations made to me citing the principle of equity, and specifically in the instance of any possible reduction in taxpayer funding to the organisation at some future point. While there is no, repeat, no intent for this at this time, it cannot be ruled out as a future scenario.

Hence, we have put on record that reviews of the Act should also consider the matter of board appointments so that they are reflective of the principle of the main funders of the organisation—taxpayers or ratepayers—being appropriately represented. I believe this is well founded and future Ministers and ratepayers of Local Land Services should be mindful and protective of this aspect.

Finally, as mentioned, Local Land Services will be a statutory corporation with a series of local statutory bodies with considerable and unprecedented financial resources, managing complex challenges. It is essential that we have skills based boards and provide a culture of attracting the best credentialed individuals in our regions.

As someone who has seen the actions, motivations and outcomes of agri-politics, I am cautious and vitally concerned that Local Land Services neither becomes politicised, nor become a platform for personal politics.

It has been continuously put to us that our best commercial farmers, natural resource managers and industry

administrators will shy away from seeking a board position on Local Land Services should they be required to run for election or sense that it is agri-political. The role of government appointments to the Local Land Services board are very important and their integrity and status should be protected by all who have an interest in the well-being of Local Land Services. These appointments are an essential balance to ensure the right geographical representation from within the Local Land Services region and to ensure the right mix of skills on the board.

As noted by Dr Allan Glassop, recently retired district vet from the Mid Coast LHPA, in *The Land* on 23 May 2013: *"Directors whose main motivation is self-interest and self-importance will certainly not help the new Local Land Services system—the 'snout in the trough' mentality is still alive and well in some districts, and amateur agri-politicians is the last thing the system needs."*

It is for these reasons, so pointedly phrased by Dr Glassop, that I strenuously believe the balance of elected versus appointed is right, given the current funding arrangements and in the infancy of the organisation.

Local Land Service Boards will be comprised of 3 ratepayer-elected members and 4 Government appointments.

Western Local Land Services, given its sheer geographic spread, will have two additional directors—4 elected and 5 government appointed.

The Board of Chairs will be comprised of the Local Board Chairs, plus an independent chair, appointed by the Government.

Local Boards are responsible for working with their local communities to ensure services and programs are delivered according to local needs. They will deliver:

- local strategies.
- local actions, and
- local reporting

Local Boards will, under delegated authority, have the authority to set rates and fees-for-service in consultation with their ratepayers.

Each chair of the Local Boards will sit on the Local Land Services Board of Chairs. The Board of Chairs will be responsible for state-wide policy issues; promoting a consistent and coordinated approach across all Local Boards; and annual, aggregated reporting of services delivered, revenue received and community engagement.

In the event of a statewide issue, such as a biosecurity event, the Director General retains the power to direct the activities of the regions.

As I have outlined, reforms of this scale impact on large numbers of people across the entire State and they cannot be achieved successfully without good will and hard work by a very large number of people.

It is simply not possible to list all the people in the Department of Primary Industries, the Livestock Health & Pest Authorities, Catchment Management Authorities, Landcare NSW, NSW Farmers' Association, Greening Australia, local government or the thousands of people who attended meetings or provided submissions.

However, it would be remiss to not mention the tremendous work of the following people:

- Chairman of the Local Land Services Reference Panel, Dr John Keniry AO—John has literally travelled the length and breadth of the State and conducted the meetings in a manner respectful of all points of view. His Chairmanship of the Reference Panel has also been invaluable.
- Mick Keogh—from the Australian Farm Institute—there are not too many people in Australia who have a better understanding of this sector and the challenges confronting it, than Mick. I have enormously valued Mick's input into the design of Local Land Services.

Local Land Services Reference Panel members

- LHPA—Ian Donges and Tim Johnston and the State Management Council of the LHPAs
- CMAs—Tom Gavel and Jessica Brown, but additionally all the CMA Chairs and their executive teams—they have embraced the change and sought to always work constructively with the reform group. Thank you.
- LGSA—Ray Donald and Geoff Hudson
- Landcare NSW—Rob Dulhunty and Tim Beshara
- NSW Farmers' Association—Fiona Simson and Matt Brand
- Greening Australia—Chris Andrews
- DPI—Dr Richard Sheldrake, Director General

- Secretariat: Carolyn Raine
- Department
  - o Director General of Department of Trade, Investment, Regional Infrastructure and Services, Mark Paterson
  - o Michael Bullen—Director of Agriculture NSW
  - o Bruce Christie—Biosecurity NSW
  - o Dianna Watkins
  - o Cathy Warburton and Alex O'Mara—legal
  - o Working Group teams

#### Natural Resources Commission [NRC]

- Bryce Wilde
- Mr Terry Ryan and his colleague Mr Greg Martin who started this reform process with the review of the LHPAs

#### Parliamentary Counsel

- Don Colagiuri, Marion Pascoe, Richard Hurford and team
- My Parliamentary colleagues—always supportive and genuinely interested in getting the best long-term outcome for their farmers and land managers. They have again proven to be one of the best sources of timely advice and feedback. Thank you.
- Parliamentary Secretary, Member for Dubbo, Troy Grant—one of the first tasks I asked of Troy was to look at weeds and from his work, the founding principles of Local Land Services were formed—a 'regional service delivery organisation—RSDO (as Local Land Services was internally known for many months) that would take the lead, be regionally based, locally owned and driven by those that had a commercial interest and knew the answers; and that was responsible for co-ordinating across state government, local government and private sector to ensure our limited resources were used most effectively.

#### The Primary Industries Ministerial office

- Chief of Staff—Tim Scott
- Policy Adviser—David Dawson
- Communications Adviser—Fiona Dewar
- Departmental Liaison Officer—Anna Ferguson from Hunter Rivers CMA

Local Land Services, is an organisation that will be flexible, have clear access to financial resources, but most importantly will devolve decision making to the local farmers and land managers.

It is their organisation, and I urge all farmers and land managers to forget the silos or demarcations of the past—whether it be CMAs, LHPAs or DPI—whether it was 'green' or 'brown' or 'tweed'—it is now your organisation to shape the culture and character.

But most importantly, to all farmers and land managers in NSW, be vigilant and make sure that Local Land Services always delivers relevant, valuable services that best helps you to meet your challenges and grasp the opportunities that will enable your businesses to prosper in a manner which is sympathetic to our limited natural resources.