



LOCAL LAND SERVICES

Productive Primary Industries,
Connected Catchments



Principles of regional service delivery

- The NSW Government believes:
 - in '**localism**' and devolving decision making to communities to deliver relevant services in the most efficient manner
 - in using the knowledge and experience of local communities and landholders to improve the **productivity of primary industries** and **protect our natural resources**
 - in working with landholders and community groups to better **manage weeds and pests** and to **sustain our land and water assets**

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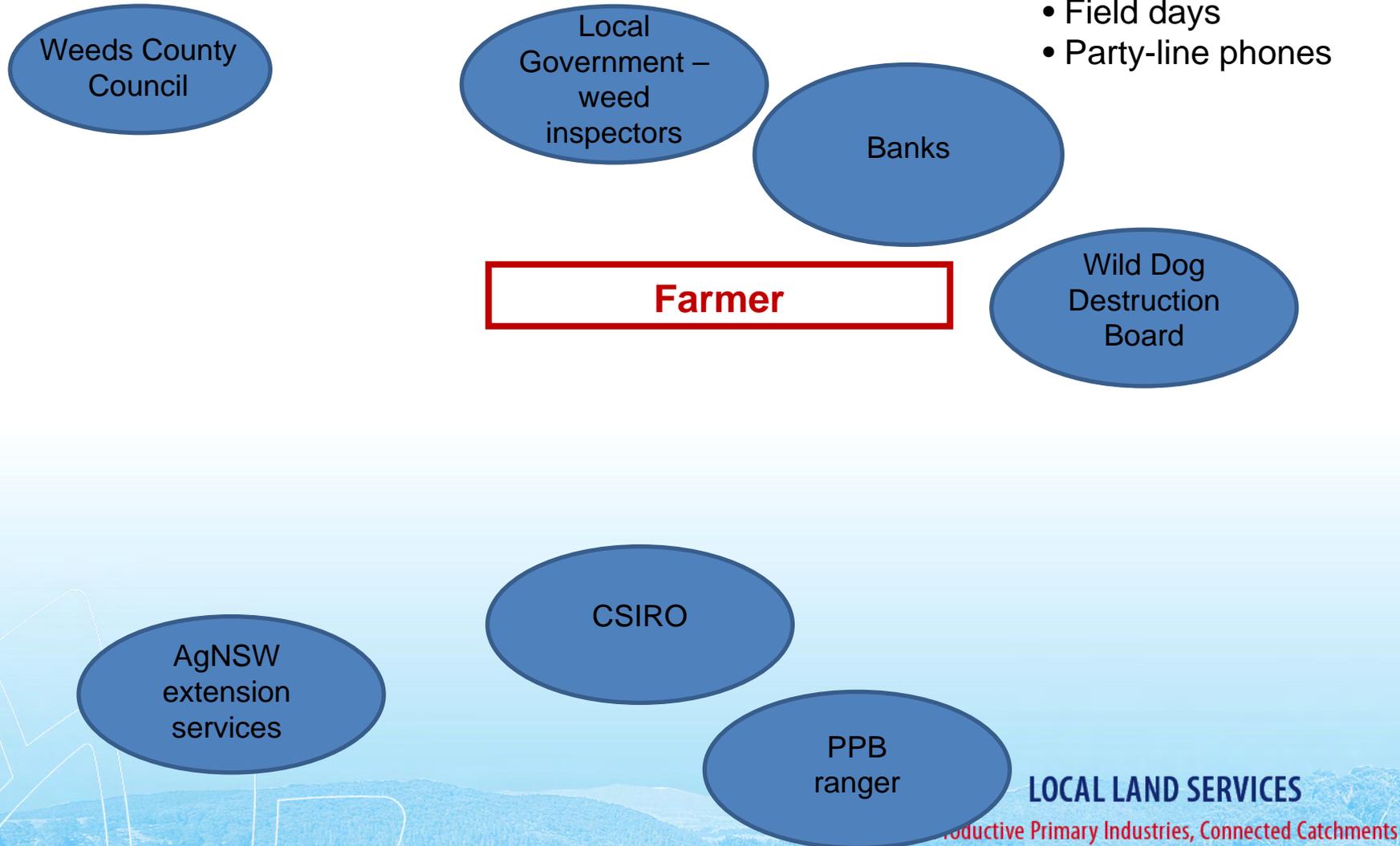
Opportunity for better service delivery

- The Department of Primary Industries' (DPI) extension model, currently delivered by Agriculture NSW, was developed in the early 1940s, with only one major redesign in 1981
- The primary industries sector has changed since the birth of DPI extension services and the needs of farmers and landowners have changed dramatically
- Farmers today have an abundance of choice in terms of advisory services:
 - private consultants (agronomy, financial, livestock)
 - chemical, fertiliser and seed companies
 - distribution networks
- Pest and weed management has become disjointed with State and Local Government, LHPAs and CMAs
- Natural resource management has also become uncoordinated and complex with CMAs, Government agencies and volunteer community organisations all being active

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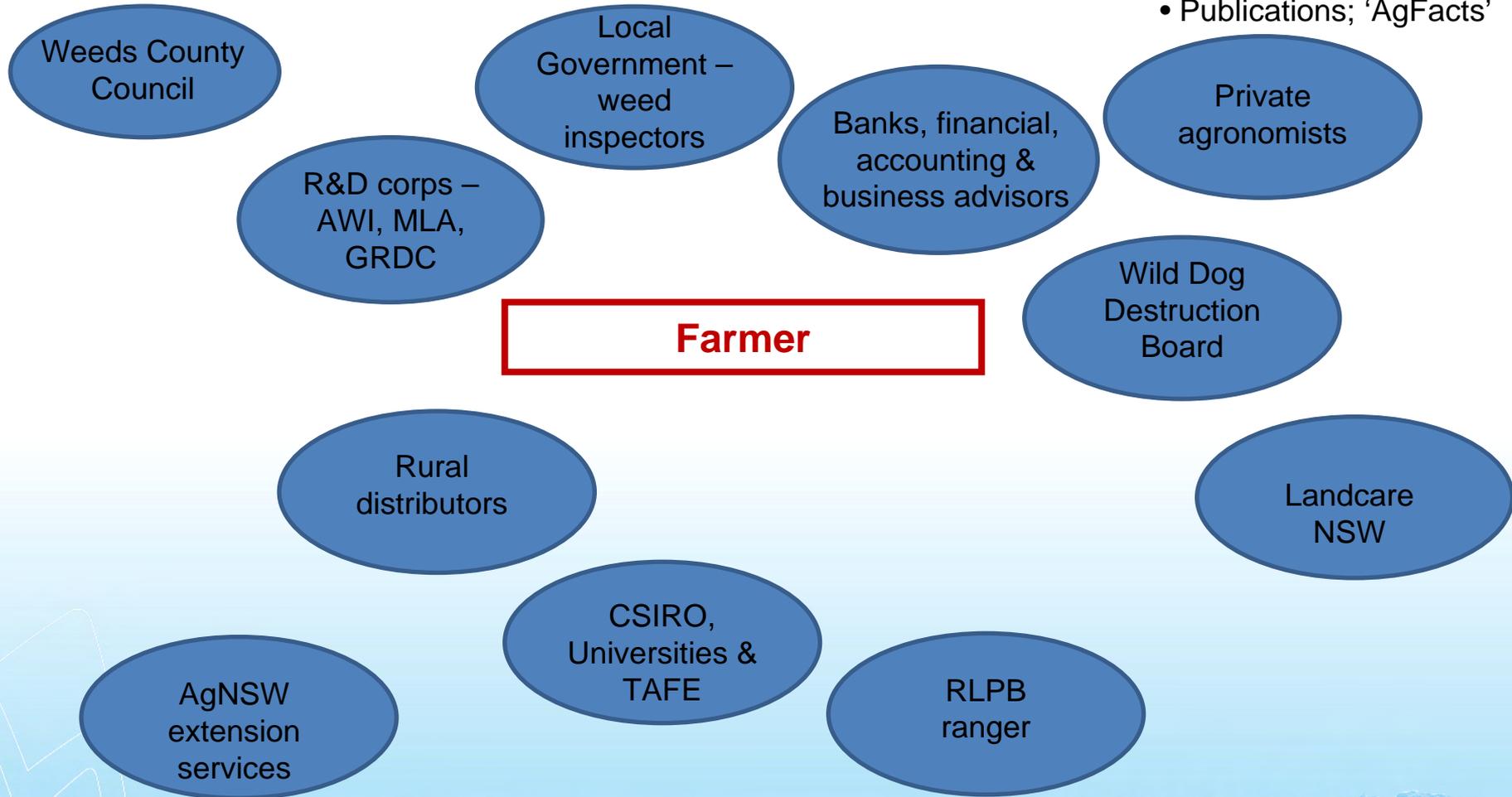
1970s service delivery



1990s service delivery

Primary info channels:

- One-on-one
- Field days
- Media
- Publications; 'AgFacts'



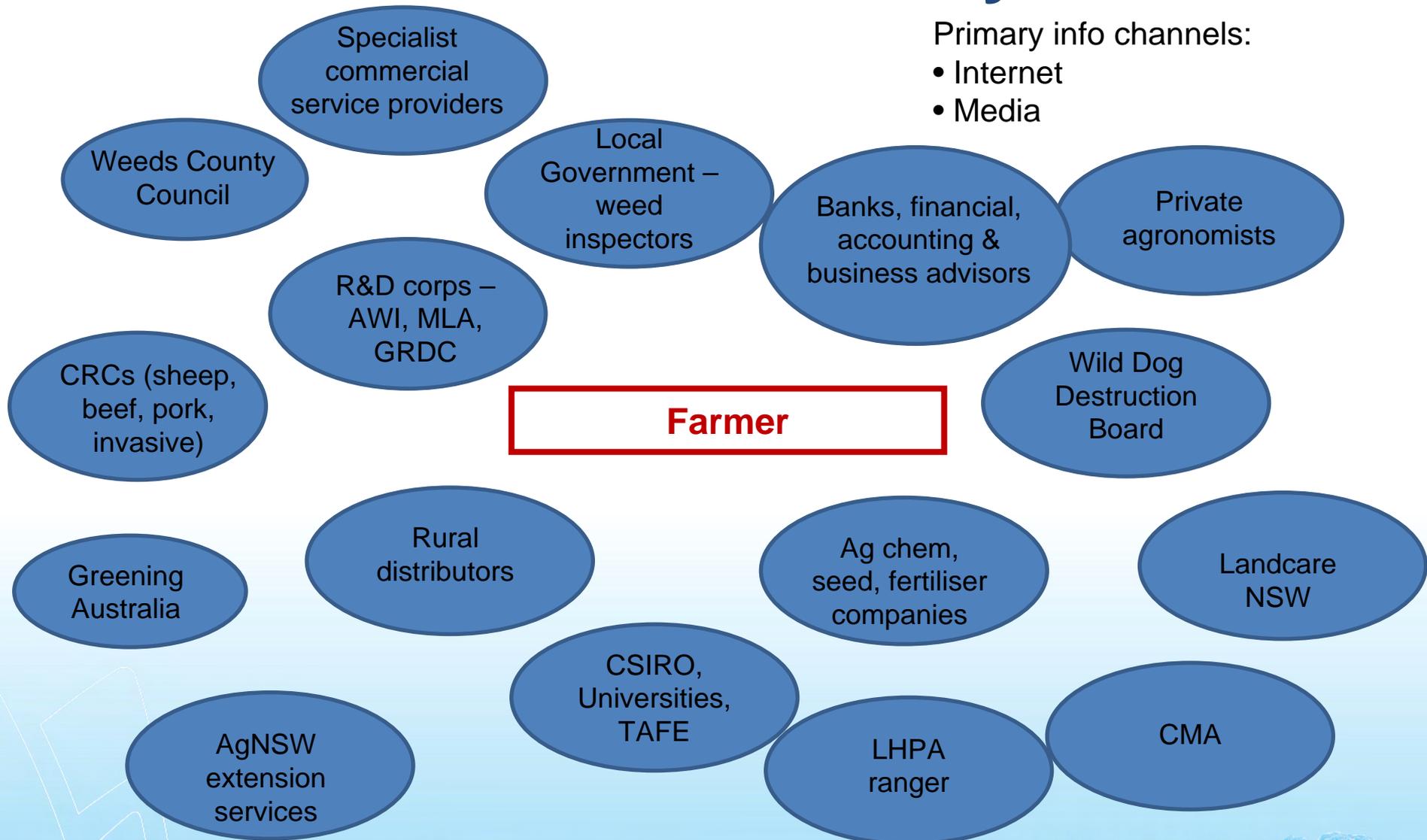
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2012 – The service delivery ‘market’

Primary info channels:

- Internet
- Media



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Opportunity for better service delivery

- Farmers/landowners through taxes, levies and rates are paying for all of these services:
 - 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
- We can improve service delivery through better coordination, removing duplication and fairer allocation of costs.

“...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...”

2011 / 2012 Ryan Review into LHPAs

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The status quo is not an option

1. Duplication of governance and points of presence

- Currently there are 202 board members for both LHPAs and CMAs, costing taxpayers/ratepayers almost \$7 million p.a.
- The Ryan Review identified that the LHPAs carry excessive operational and governance overheads ie; 1 Director for every 3 LHPA employees
- CMAs and LHPAs have offices in 76 and 65 towns respectively throughout NSW
 - by sharing offices in these towns we can be smarter and more efficient in delivering same levels of service

The status quo is not an option

2. Lack of accountability to ratepayers

- The Ryan Review found:

“There is evidence of systematic weaknesses in corporate governance and accountability of individual Authorities to State Management Council and, in turn, to the NSW Government and ratepayers, and there is room for greater administrative efficiency”

- NSW Auditor-General recently identified that the LHPA State Management Council had not provided adequate financial statements for 2008; 2009/10; 2010/11; and 2011/12
- There are currently very limited opportunities for ratepayers to influence and set priorities for LHPAs, CMAs and Agriculture NSW advisory services

The status quo is not an option

3. Dated, inefficient and inequitable service delivery structure

- LHPA (biosecurity) resources are currently allocated on an historical basis for livestock industries and have not changed to meet the needs of grain and horticulture producers who pay LHPA rates
 - Why should citrus growers pay LHPA rates for wild dog and sheep lice control when they want more resources for fruit fly control?
 - Why should North Coast dairy producers pay for plague locust control when they need more resources for tick control?
- There are currently biosecurity risk creators and beneficiaries who are not contributing to the rate base
 - Landowners under 10 hectares currently do not contribute rates however are still creating risks associated with livestock diseases, pests and weeds
 - Travelling stock routes represent 1.7million hectares of NSW. They are of statewide value but are paid for by LHPA ratepayers, few of whom use them

The current model is antiquated and unresponsive to the needs of our farmers

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The status quo is not an option

4. Our farmers and landowners believe there needs to be change in the way we deliver services

- A recent survey found over half (54%) of respondents, across all demographics, feel that the DPI needs to change to meet the needs of rural producers
- 50% of NSW farmers surveyed have used the DPI for farm management advice in the last 12 months but 46% feel that the DPI overlaps with other organisations, companies and providers
- 75% of respondents said that services of CMAs could be better integrated with those who provide other services to farmers

The status quo is not an option

5. The current model is financially unsustainable

- Despite annual rate increases and grants from the State Government there are a number of LHPAs that are verging on insolvency
 - Overheads of LHPAs are double that of comparable local governments
 - Overheads for two LHPAs are 42% and 57% of expenditure respectively
- Between 2003 and 2012 the CMAs received more than \$1.4 billion to fund operational activities and NRM projects – approximately \$155 million per year
 - Approximately 30% of CMAs' \$38 million recurrent funding is used for 91 Directors, Board, Executive Management and other back office support

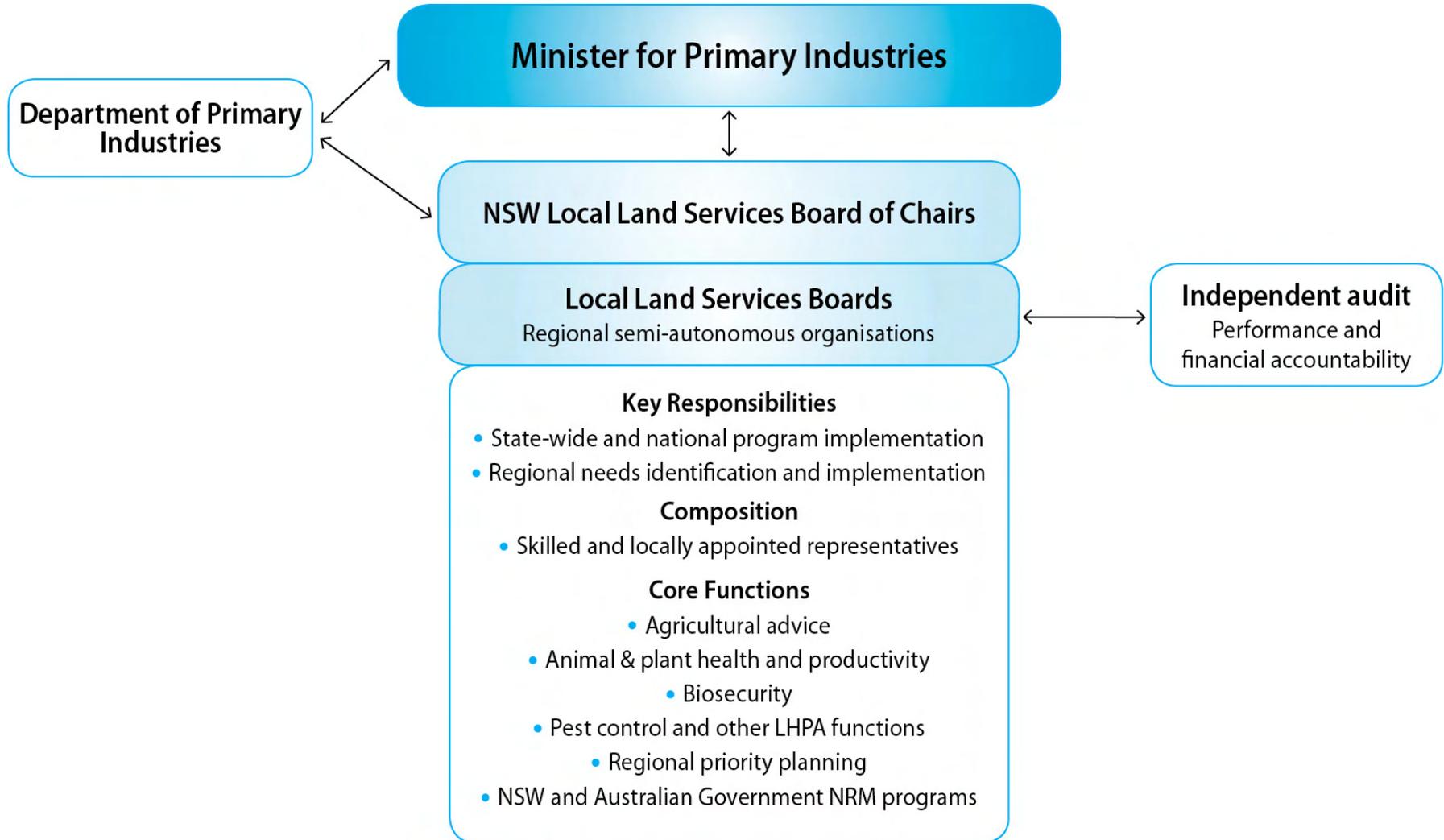
Local Land Services

- Today we are announcing the most fundamental change since the 1940s to the way NSW primary producers access services, information and advice
- Consistent with our principles we are giving more control of local agricultural and natural resource management services to farmers and landowners
- The new *Local Land Services* will deliver locally prioritised services including:
 - agricultural advice
 - plant and animal pest control and biosecurity
 - natural resource management
 - emergency and disaster assessment and response
- This will end multiple agencies providing uncoordinated, highly duplicative, inequitable and unnecessarily expensive services to farmers and regional landowners
- *Local Land Services* will be regionally-based, semi-autonomous statutory organisations that are governed by 50 per cent locally elected and 50 per cent skills-based Board members.

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Local Land Services Governance Structure



Local Land Services

- *Local Land Services* will also provide greater opportunities to work with community-based NRM organisations e.g. Landcare NSW and Greening Australia, and Rural R&D Corporations
- **The NSW Government will continue to invest over \$1 billion each year – but ratepayers need to get better value for money**
- An independent Reference Panel will be appointed to work with community and stakeholder groups to determine how the new *Local Land Services* will be structured
- *Local Land Services* will be operational in January 2014.
- Throughout the development phase farmers and landowners will still be able to access existing services from DPI, LHPAs and CMAs

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Transitional measures

- Livestock Health & Pest Authorities
 - Appoint a forensic accountant
 - Freeze all rate increases
 - LHPA State Management Council to identify savings of 10%
- Catchment Management Authorities
 - Consolidate number of CMAs from 13 to 11
 - Sydney Metropolitan with Hawkesbury Nepean
 - Southern part of Lower Murray Darling with Murray and northern part of Lower Murray Darling with Western
 - Reduce number of Board members from 7 to 5
 - Reduce recurrent expenditure by \$11 million
- DPI
 - Reduce recurrent expenditure for Agriculture NSW by \$9.3 million
 - Reduce recurrent expenditure for Biosecurity NSW by \$5.6 million
 - Reduce recurrent expenditure for DPI Business Services by \$4.7 million

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Local Land Services - summary

This will improve the way agricultural and natural resource management services are delivered by:

1. Integrating complementary advisory services
2. Improving local control through strong representation by local ratepayers
3. Reducing administrative costs with improved governance
 - increased transparency and accountability
4. Strengthening responsiveness to state-wide biosecurity events

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