



# Gladstone Regional Council

## Council Policy

|                          |                                    |
|--------------------------|------------------------------------|
| <b>Title</b>             | <b>REVENUE STATEMENT</b>           |
| <b>Policy Number</b>     | <b>P-2018-14</b>                   |
| <b>Business Unit/s</b>   | <b>FINANCE GOVERNANCE AND RISK</b> |
| <b>Date of Adoption</b>  | <b>24 JULY 2018</b>                |
| <b>Resolution Number</b> | <b>S/18/3479</b>                   |
| <b>Review Date</b>       | <b>24 JULY 2019</b>                |
| <b>Date Repealed</b>     |                                    |

### 1.0 PURPOSE:

The purpose of the statement and plans in this document is to ensure compliance with section 169(2)(b) (Revenue Statement), section 94(2)(b) (Overall Plan) and section 94(7) (Annual Implementation Plan) of the *Local Government Regulation 2012*.

### 2.0 SCOPE:

This policy, including the Revenue Statement and plans herein, applies to the financial year from 1 July 2018 to 30 June 2019.

### 3.0 RELATED LEGISLATION:

- *Local Government Act 2009*;
- *Local Government Regulation 2012*;
- *Transport Infrastructure Act 1994*;
- *Land Valuation Act 2010*;
- *Government Owned Corporations Act 1993*;
- *State Development and Public Works Organisation Act 1971*; and
- *Mineral Resources Act 1989*.

### 4.0 RELATED DOCUMENTS:

- Revenue Policy;
- Our Place Our Plan Gladstone Regional Council Planning Scheme;
- Properties Exempt from General and Differential Rates Policy;
- Pensioner Remission Policy;
- Water Allocation and Sewerage Connection Concessions for Sporting Bodies and Other Not-for-Profit Organisations Policy;
- Concealed Water Leak Concession Policy;
- Water Meter Policy;
- Financial Hardship Policy; and
- Queensland Ports Government Owned Corporations Local Government General Rates Equivalent.

## 5.0 DEFINITIONS:

All terms in this statement have the meanings assigned to them under the *Local Government Regulation 2012*, the *Local Government Act 2009* and the *Transport Infrastructure Act 1994* (TIA) unless otherwise explicitly defined in this statement.

In this statement:

- **Council** means the Gladstone Regional Council.
- **Defined Cleansing Service Area** means the defined waste collection service area adopted on 03 July 2018 in accordance with Council's *Local Law No. 8 (Waste Management) 2018*.
- **Defined Sewerage Service Area** means the defined sewerage service area adopted on 06 March 2018 within Council's Local Government Infrastructure Plan.
- **Defined Water Service Area** means the defined water service area adopted on 06 March 2018 within Council's Local Government Infrastructure Plan.
- **Gross Floor Area** means the total area under a roof, canopy, awning or roof-like projection or shelter including all covered areas whether they be wholly or partly enclosed or unenclosed.
- **Gladstone State Development Area** means the area within Council's area named as the Gladstone State Development Area and declared as such by regulation under the *State Development and Public Works Organisation Act 1971*.
- **Port of Gladstone** means the area within Council's area covered by the current land use plan prepared by Gladstone Ports Corporation Ltd and gazetted under the *Transport Infrastructure Act 1994*.
- **Rail Corridor Land** has the meaning given under the *Transport Infrastructure Act 1994*.
- **Shopping Centre** means premises used for the display, sale, hire or supply of goods or personal services or betting to the public.
- **Strategic Port Land** means land that is strategic port land under section 286 of the *Transport Infrastructure Act 1994*.
- **Workforce Accommodation** means a facility used primarily for the accommodation of persons who are away from their principal place of residence, other than tourists and holidaymakers, who are employed or work in, or in association with, construction, resources and mining activities, commonly known as a "workers camp", "single person's quarters", "work camp", "accommodation village", or "barracks".

## 6.0 POLICY STATEMENT:

### 6.1 Revenue Statement - General Principles

Under section 172(1) of the *Local Government Regulation 2012*, Council's Revenue Statement must state:

- a) if the local government levies differential general rates -
  - i. the rating categories for rateable land in the local government area; and
  - ii. a description of each rating category; and
- b) if the local government levies special rates or charges for a joint government activity - a summary of the terms of the joint government activity; and
- c) if the local government fixes a cost-recovery fee - the criteria used to decide the amount of the cost-recovery fee; and
- d) if the local government conducts a business activity on a commercial basis - the criteria used to decide the amount of the charges for the activity's goods and services.

In addition, under section 172(2) of the *Local Government Regulation 2012*, Council's Revenue Statement must include for the financial year:

- a) an outline and explanation of the measures that the local government has adopted for raising revenue, including an outline and explanation of -
  - i. the rates and charges to be levied in the financial year; and
  - ii. the concessions for rates and charges to be granted in the financial year;
- b) whether the local government has made a resolution limiting an increase of rates and charges.

This Revenue Statement has been prepared using the guidelines set out in Council's adopted Revenue Policy (P-2018-19).

Council also raises its revenue in accordance with two additional basic principles of revenue collection:

- the Requirement-to-pay Principle; and
- the Benefit Principle.

Council intends to continue to use a combination of the requirement-to-pay principle and the benefit principle, applied consistently across the region, as a rational and generally equitable means of raising its revenue.

#### 6.1.1 Requirement-to-pay Principle

By this principle, landowners (and some land occupiers) are levied with a tax (a general rate) based on the value of their land. Section 94 of the *Local Government Act 2009* obliges Council to levy general rates on all rateable land within its local government area.

The general rate funds programs where there is not a direct link between the service recipient and the service. Examples include parks, roads, community services and cultural development, and general administration.

### 6.1.2 Benefit Principle

This principle requires that individuals in the community pay for goods and services:

- from which they derive a special benefit; or
- for which they especially generate a need; or
- that they acquire individually from Council.

The benefit principle will be applied where there is a clear link between the individual and the use of the goods or services e.g. connection to a water supply or sewerage service.

## 6.2 Revenue Statement - Differential Rates [s172(1)(a) Local Government Regulation 2012]

### 6.2.1 Differential General Rates

In accordance with section 80 of the *Local Government Regulation 2012*, Council will adopt a system of differential general rating for the region.

Council is required to raise the amount of revenue it considers necessary to maintain assets and provide services to the community.

In deciding how it raises that revenue, Council considers a number of factors, including:

- the rateable value of land and how an appropriate rate in the dollar can be set to ensure equitable contribution to the revenue, based on the approved capacity of the land;
- the degree of fluctuation in the valuation of land experienced by different sectors within the region and how this relates to achieving an equitable general rating policy;
- the demands that business, industrial, and other commercial land uses impose upon Council services in comparison with domestic land uses;
- that some sections of the community will generate, via their land uses, additional costs burdens upon Council, or that particular costs Council incurs will deliver increased benefits to certain lands, and which additional burdens and increased benefits may be reflected in higher rates levies on those lands;
- that a major determinant of the layout and standards of the road network, and consequently costs of that road network, has been the locations and sizes of major shopping centres and major industry;
- that the cost of physical services provided for the business, commercial and industrial sectors of the region is greater than that provided to support residential premises (the standards of roads, streetscapes, drainage and lighting built to support these sectors entailing, of necessity, a higher cost than the cost of supporting residential land);
- that the impact of developing major industries within the Gladstone State Development Area is equivalent to the impact of existing major industries within that development precinct, placing increased demands on Council's services and Council's current hard infrastructure such as transport corridors, along with significant soft impacts, in particular social impacts on the existing community;
- the fairness of ensuring that the costs associated with providing the infrastructure and supporting services required to facilitate the development and operation of major industries, as identified in the environmental impact statements and supplementary

environmental impact statements of these developments, are borne by those major industries, to minimise their impact on the existing community; and

- that whilst flats and multi-dwellings generally have a smaller land area, and therefore a lower valuation than standard detached residential premises, such flats and multi-dwellings generate the same demand on people-related services as standard detached residential premises.

## 6.2.2 Differential Rating Categories

In accordance with section 81 and section 172(1)(a) of the *Local Government Regulation 2012*, the rating categories of rateable land in the Council area and a description of each of these rating categories are as follows:

### CATEGORY 1

Description - Land used, or approved for development, for residential purposes, as a single dwelling, including a lot within a 2-lot community titles scheme, with a rateable value not exceeding \$556,000, other than land in Categories 5 to 8 inclusive.

### CATEGORY 2

Description - Land used, or approved for development, for residential purposes, as a single dwelling, including a lot within a 2-lot community titles scheme, with a rateable value exceeding \$556,001, other than land in Categories 5 to 8 inclusive.

### CATEGORY 3

Description -

- a) Land used, or approved for development, for rural activities; or
- b) Land located on any of the islands within the region, which is not otherwise categorised.

### CATEGORY 4

Description - Land described in section 49 of the *Land Valuation Act 2010*, which qualifies for discounted valuation under section 50 of that Act.

### CATEGORY 5

Description - Vacant residential land that has an area greater than 5 hectares.

### CATEGORY 6

Description - Land used for:

- a) the purposes of multiple dwellings as flats, duplexes, boarding houses, and guest houses;
- b) residential purposes, as a lot within a community titles scheme, located on an offshore island; or
- c) residential purposes, as a lot within a community titles scheme containing between three (3) and eight (8) lots, located on the mainland and is not within a gated community.

CATEGORY 7

Description - Land, used for residential purposes, which is a lot within a community titles scheme containing nine (9) or more lots where located on the mainland and is not within a gated community.

CATEGORY 8

Description - Land used, or approved for development, for residential purposes, which is a lot within a gated community on the mainland that is part of a community titles scheme.

CATEGORY 9

Description - Land used for business or commercial purposes, including motels, other than land included in Categories 10 to 24 inclusive.

CATEGORY 10

Description - Land used for the purposes of a Shopping Centre with a Gross Floor Area of at least 2,000m<sup>2</sup> but less than 5,000m<sup>2</sup>.

CATEGORY 11

Description - Land used for the purposes of a Shopping Centre with a Gross Floor Area of at least 5,000m<sup>2</sup> but less than 10,000m<sup>2</sup>.

CATEGORY 12

Description - Land used for the purposes of a Shopping Centre with a Gross Floor Area of at least 10,000m<sup>2</sup>, but less than 20,000m<sup>2</sup>.

CATEGORY 13

Description - Land used for the purposes of a Shopping Centre with a Gross Floor Area of at least 20,000m<sup>2</sup>.

CATEGORY 14

Description - Land used, in whole or in part, for Workforce Accommodation, with up to 500 rooms, suites and/or caravan sites.

CATEGORY 15

Description - Land used, in whole or in part, for Workforce Accommodation, with more than 500 rooms, suites and/or caravan sites.

CATEGORY 16

Description - Land used for industrial purposes, other than land included within Categories 17 to 22 inclusive and Category 24.

#### CATEGORY 17

Description -

- a) Land used for, or in connection or association with, major industry;
- b) All land within a Special Purpose Zone under the *Our Place Our Plan Gladstone Regional Council Planning Scheme Version 2*;
- c) All land within the Gladstone State Development Area being used for a commissioned major industrial purpose, excluding land included in Categories 18 to 22 inclusive and Category 24;
- d) Land used for the generation of electricity;
- e) Land used for the manufacture of aluminium oxide.

#### CATEGORY 18

Description - Land, within the Gladstone State Development Area being developed, or approved for development, for future major industrial use, including land upon which all or part of an industrial facility, the primary intended purpose of which is the manufacture of liquefied natural gas, is located or approved to be located.

#### CATEGORY 19

Description - Land used, or being developed for use, for the purposes of storage or handling facilities for the commodities or containers shipped through the Port of Gladstone, other than land included in Category 20.

#### CATEGORY 20

Description - Land used, or being developed for use, for the purposes of storage or handling facilities for commodities or containers shipped through the Port of Gladstone, which is Strategic Port Land and is occupied by a port authority, the State or a government entity.

#### CATEGORY 21

Description - Land used for the purposes of a bulk storage facility with a capacity greater than 1,000,000 litres of any combustible liquid or flammable liquid.

#### CATEGORY 22

Description - Land used for the purposes of a built oil recycling facility.

#### CATEGORY 23

Description -

- a) Land used for the extraction of minerals, resources or other substances;
- b) Land used, in connection or association with the extraction of minerals, resources or substances;
- c) Land which is a mining lease issued under the *Mineral Resources Act 1989*.

#### CATEGORY 24

Description - Land used for an operational liquefied natural gas processing facility.

### 6.2.3 Assessment in more than one zone or multiple land uses

The Valuer-General can include a number of land parcels within multiple planning scheme zones under a single valuation. In all such circumstances the category adopted for rating purposes is determined by reference to the predominant use of the land.

### 6.2.4 Minimum General Rate

The minimum general rate for a rating category is set by reference to the cost of providing services common to land within the category.

### 6.3 Revenue Statement - Cap on Increase of Rates [s172(2)(b) Local Government Regulation 2012]

Council will, under section 116 of the *Local Government Regulation 2012*, resolve to set a maximum percentage that rates levied for some categories will increase above those levied in the previous year (the Rate Cap).

Principally, the Rate Cap is a smoothing mechanism to soften the impact of rates increases borne of large valuation increases on residential, rural, small business, and the light industrial land classes.

The Rate Cap applicable to each category of rates are set out in Table 1 below:

**Table 1:**

| <b>Limitation of Increase (Rate Cap) in Rates and Charges Levied</b>  | <b>Categories</b>    |
|---|----------------------|
| The differential general rate amount levied shall not exceed 110% of the corresponding annual amount levied as the differential general rate in the 2017/2018 financial year. | 1, 2, 3, 6, 7, 8     |
| The differential general rate amount levied shall not exceed 115% of the corresponding annual amount levied as the differential general rate in the 2017/2018 financial year. | 9, 16, 23            |
| The differential general rate amount levied shall not exceed 150% of the corresponding annual amount levied as the differential general rate in the 2017/2018 financial year. | 17, 18, 19, 20       |
| No Limitation of Increase   | All other categories |

### 6.4 Revenue Statement - Outline of General Measures Adopted [s172(2)(a) Local Government Regulation 2012]

In addition to the Differential Rating measures outlined in part 6.2 and 6.3 of this policy statement, Council also has adopted the following measures for raising revenue:

- Rating of Rates-exempt Strategic Port Land;
- Special Charges;



- Waste Cleansing Charges;
- Sewerage Charges; and
- Water Charges.

#### **6.4.1 Rating of Rates-exempt Strategic Port Land**

Under section 93(3)(e) of the *Local Government Act 2009*, Strategic Port Land that is occupied by a port authority, the State, or a government entity is "exempt from rates".

However, the Queensland Government has established the Queensland Port Government Owned Corporations Local Government General Rates Equivalents Regime (the *Equivalents Regime*) for the collection (by Queensland Treasury) of sums equivalent to general rates that port authorities would be required to pay upon their commercial use Strategic Port Land were the land not rates-exempt.

Under Treasury guidelines for the Equivalents Regime:

- a) the imposition, assessment and collection of general rates equivalents is determined by reference to the *Local Government Act 2009*; and
- b) the Treasurer possesses sole discretion to make ex gratia payments to local governments equal to the general rates equivalents sums paid by port authorities.

As an alternative to the Gladstone Ports Corporation Ltd paying general rates equivalents under the Equivalents Regime, Council and the Gladstone Ports Corporation Ltd have made an arrangement via which the Gladstone Ports Corporation Ltd makes ex gratia payments of general rates equivalents directly to Council.

In accordance with that arrangement, Council will levy the Gladstone Ports Corporation Ltd the equivalent of a differential general rate upon Strategic Port Land matching the description set out in rating Category 20.

#### **6.4.2 Special Charge for Curtis Island Sewerage Infrastructure**

Special charges apply in circumstances where:

- a) land or its occupier specially benefits from, or has or will have, special access to, a service, facility, or activity; or
- b) land is or will be used in a way that specially contributes to the need for the service, facility, or activity; or
- c) the occupier of land specially contributes to that need for a service, facility, or activity.

Generally, special charges applied to individual ratepayers are only levied pursuant to a written agreement with each ratepayer concerned.

The only Special Charge to be levied in 2018/2019 is for the operation and construction of Curtis Island sewerage infrastructure.

1. In accordance with section 94 of the *Local Government Act 2009* and section 94 of the *Local Government Regulation 2012*, and pursuant to a service and special charge agreement made with each of Australia Pacific LNG (Shared Facilities) Pty Limited (APLNG); QCLNG Land Pty Ltd (QCLNG), and GLNG Operations Pty Ltd (GLNG), Council will levy a special charge upon the following rateable land parcels at Curtis Island:

- a) Lot 3 on SP228454, Lot 3 SP235971, Lease A SP 252872, and Lease B SP252872 (APLNG Land);
  - b) Lot 2 on SP228185, and Lot 2 on SP228454 (QCLNG Land); and
  - c) Lot 1 on SP235007 (GLNG Land).
2. The purpose of the special charge is to reimburse Council the cost it incurs in operating its Curtis Island wastewater collection and reticulation infrastructure (the *Wastewater Infrastructure*) to provide a wastewater disposal and processing service (the *Wastewater Service*) for the special benefit of those land parcels, each of which is used for operations that especially contribute to the need for the service activity. Council created the collection and reticulation infrastructure pursuant to common use infrastructure agreement, dated 24 August 2011 with Gladstone Area Water Board and APLNG.
3. The Overall Plan for the service to which the special charge applies, is as follows:
- a) Council will operate the Wastewater Infrastructure to service the liquefied natural gas (LNG) production, storage, and distribution facilities (the *LNG Facilities*) that APLNG, QCLNG, and GLNG operate upon the land parcels.
  - b) Council will recoup, pursuant to the service and special charge agreements, its operating and capital costs associated with operating the Wastewater Infrastructure.
  - c) The estimated cost of operating the Wastewater Infrastructure over a 25-year period and recovering capital costs in accordance with the service and special charge agreements is \$129.887 million in current terms.
  - d) The estimated time for implementing the overall plan is 25 years, expiring on 30 June 2039.
4. The Annual Implementation Plan for the 2018/2019 financial year is that Council will operate the Wastewater Infrastructure to service the LNG Facilities, and will apply the special charge revenue, which it estimates at \$7,864,689.70, against the operating cost it incurs.

The LNG Facilities land to be levied with the special charge especially benefits from the Wastewater Service because:

- a) operations upon each LNG Facility consume significant volumes of water and produce significant volumes of wastewater;
- b) it was necessary for Council to construct and commission the Wastewater Infrastructure (pursuant to the common use infrastructure agreement) to enable APLNG, QCLNG and GLNG to construct and operate the LNG Facilities; and
- c) the LNG Facilities cannot operate without the Wastewater Service.

The special charges for 2018/2019 will be:

- APLNG Land - \$1,994,025.16 per annum, plus 107.216 cents per kilolitre of wastewater discharged from the LNG Facility;
- QCLNG Land - \$4,942,291.00 per annum, plus 107.216 cents per kilolitre of wastewater discharged from the LNG Facility; and
- GLNG Land - \$928,373.54 per annum, plus 107.216 cents per kilolitre of wastewater discharged from the LNG Facility.

### **6.4.3 Waste Cleansing Charges**

Waste Cleansing Charges are based on the benefit principle (user pays). Domestic services are supplied at an annual fee for a weekly general refuse service and a fortnightly recycling service.

The amount of the Waste Cleansing charge is to reflect three cost components:

- a) the cost of providing the refuse container and servicing it;
- b) the cost of disposing the refuse at a landfill; and
- c) the cost of recovering and sorting of recyclable material.

The components recognise that:

- a) the cleansing contractor is required to drive past each residence within the Defined Cleansing Service Area;
- b) it is impractical to monitor use of the service on a house by house basis, and
- c) Council wishes to maximise efficiency whilst minimising the cost to the community for what is an essential service.

The Waste Cleansing charge will be levied and recovered irrespective of whether given occupiers within the Defined Cleansing Service Area avail themselves of the service, and will apply irrespective of whether the premises are occupied for any period during the year.

A domestic service is available to all residential properties within the Defined Cleansing Service Area. Where economically feasible, Council offers the service to rural areas adjoining the Defined Cleansing Service Area. The extension of services into such areas is usually by request at first; but once the cleansing service area is expanded to include them, the standard domestic service conditions apply.

Council offers a commercial service to those premises who only seek a domestic type service. All other commercial services are provided by third parties.

### **6.4.4 Sewerage Charges**

Council operates five types of sewerage schemes:

- a) an urban or residential scheme serving the community of Gladstone;
- b) an urban or residential scheme serving the urban communities of Boyne, Tannum, and Calliope;
- c) an urban or residential scheme serving the urban communities of Agnes Water and Seventeen Seventy;
- d) an industrial scheme serving the Yarwun and Aldoga Industrial Estate; and
- e) an industrial scheme serving Curtis Island industries.

The service is operated on a commercial basis, each type of scheme being self-funding through the application of user charges.

There is an access charge for vacant land within the Defined Sewerage Service Area. This is a charge for the fixed cost component of the sewerage system which is set to meet costs incurred by Council independently from the use of the system i.e.:

- a) interest and redemption on loans;
- b) operation and maintenance;
- c) administration and engineering;
- d) asset depreciation; and
- e) special maintenance and miscellaneous minor works.

As such this charge applies to all vacant land within the Defined Sewerage Service Area.

Sewerage charges in the urban areas of Gladstone, Boyne Island, Tannum Sands, Calliope, Agnes Water and Seventeen Seventy are levied on a "per unit" basis with the number of units allocated to particular land uses, dependent on expected demand. Units are allocated as set out in Table 2 below:

**Table 2:**

| No. | Category  | Units |
|-----|---|-------|
| 1   | Each unconnected allotment located within the declared sewerage area.   | 7     |
| 2   | Each single unit dwelling constructed on an allotment and located within the declared sewerage area.  | 10    |
| 3   | First Connection - Each commercial, industrial premises connected to the scheme including accommodation units and caravan parks.  | 10    |
| 4   | Additional Connections - Each commercial, industrial premises connected to the scheme including accommodation units and caravan parks, for each additional pedestal or metre of urinal, as assessed by Council's Plumbing inspectors. | 7     |

Council also operates industrial sewerage and trade waste facilities on a commercial basis on behalf of industries located within the Yarwun Industrial Estate and on Curtis Island.

Council recognises that the users of Council's sewage system are the shareholders of Council's sewage business because it is only that sector that has funded the provision of the sewage infrastructure. A return on the community's investment is calculated for full cost pricing purposes only and is returned to the ratepayers through a credit to the access charge.

#### **6.4.5 Water Charges**

Council operates four water schemes as follows:

- a) Lake Awoonga Treated Water Scheme which services the Gladstone, Boyne Island, Tannum Sands, Benaraby, Wurdong Heights, Calliope, Beecher and Mount Larcom areas with treated water purchased from the Gladstone Area Water Board;
- b) Miriam Vale Water Supply Scheme and Bororen Water Supply Scheme which service these townships with treated water from Baffle Creek supplemented by bores operated by Council; and

- c) Agnes Water / Seventeen Seventy Water Scheme which services the townships of Agnes Water and Seventeen Seventy with treated water from a desalination plant and bores operated by Council.

Water charges are levied on a user pays basis and set at a level to fully recover the cost of the provision of infrastructure, operation and maintenance of each system.

A charge will be levied on all land within the Defined Water Service Area which are provided with, or which are capable of being provide with, water services and shall comprise:

- a) an annual access charge; and  
b) a consumption charge for each kilolitre of water used.

Equity considerations that Council will consider when determining water pricing include but are not limited to social justice, broad principles of water conservation, and potential use of the water system.

Council recognises that the water consumers are the shareholders of Council's water business because it is only that sector that has funded the provision of the water infrastructure. A return on the community's investment is calculated for full cost pricing purposes only and is returned to the ratepayers through a credit to the access charge.

#### 6.4.5.1 Water Charge Part 1 - Access Charge

The access charge is a base charge or the fixed cost component of the water charge which is set to meet costs incurred by Council independently from the use of the system, i.e.:

- a) interest and redemption on loans;  
b) operation and maintenance;  
c) administration and engineering;  
d) asset depreciation;  
e) special maintenance and miscellaneous minor works; and  
f) water losses, e.g. fire service, meter error, leaks, mains scouring.

As such this charge applies to all connected and vacant land within the Defined Water Service Area.

All consumers will share the 'fixed costs' of the service provision in proportion to the flow rate at which water may be obtained. For water services that are not Dedicated Fire Services, the share of the 'fixed costs' is calculated in accordance with the following formula:

$A = B \times C$ , where:

$A$  is the access charge for a property;

$B$  is the charge for a 20mm base service set by Council; and

$C$  is the equivalent meter flow (EMF) figure specified in Table 3 for the corresponding water meter service size and user type (if specified).

**Table 3:**

| <b>Water Meter Service Size</b> | <b>EMF</b> |
|---------------------------------|------------|
| Unconnected                     | 1.0        |
| 20mm (sub-meter)                | 0.75       |
| 20mm                            | 1.0        |
| 25mm (domestic)                 | 1.0        |
| 25mm (all other users)          | 1.56       |
| RWSS-400                        | 1.92       |
| 30mm                            | 2.25       |
| Constant Water Flow Schemes     | 2.35       |
| 32mm                            | 2.56       |
| RWSS-700                        | 2.60       |
| RWSS-1000                       | 3.29       |
| RWSS-1300                       | 3.97       |
| 40mm                            | 4.00       |
| 50mm                            | 6.25       |
| 80mm                            | 16.00      |
| 100mm                           | 25.00      |
| 150mm                           | 56.25      |
| 150mm (Rail Corridor Land)      | 113.30     |
| 200mm                           | 100.00     |
| 250mm                           | 156.25     |
| 300mm                           | 225.00     |
| 375mm                           | 351.56     |

Note: The relationship of capacity, i.e. the EMF, varies in proportion to the square of the diameter of the service size.

For this section the term **Dedicated Fire Service** means the water supply service to a premise specifically dedicated for use in fighting fires.

For Dedicated Fire Services the share of the 'fixed costs' is calculated in accordance with the following formula:

$A = B \times C$ , where:

*A* is the access charge for a Dedicated Fire Service;

*B* is the charge for a 20mm base service set by Council; and

*C* is the multiplier specified in Table 4 for the corresponding water meter service size.

**Table 4:**

| <b>Water Meter Service Size</b> | <b>Multiplier</b> |
|---------------------------------|-------------------|
| Smaller than 80mm               | 0.3               |
| 100mm                           | 7                 |
| Larger than 100mm               | 10                |

Conditions of Use for Dedicated Fire Services:

- a) The owner of the service must maintain a register of all water use for firefighting or testing purposes. The register must show date of use, meter reading prior to use, meter reading following use, water consumed, and where and why the water was used.
- b) If the service is used for any purpose other than firefighting/testing at any time or the owner of the service fails to produce the register on demand, the service will be deemed to be a multi-use connection and the charge will be in accordance with the Water Meter Service Size multiplier for a standard service.

#### 6.4.5.2 Water Charge Part 2 - Consumption Charge

This is a consumption charge or the variable cost component of the water charge.

This charge represents:

- for water obtained from the Lake Awoonga Scheme, the cost to Council of purchasing the water from the Gladstone Area Water Board; and
- for all other schemes, the cost of producing the water.

This consumption charge applies to consumers who actually use water from the various systems.

Accounts for the consumption charge will be forwarded to consumers at the end of every six (6) month cycle of a financial year.

For clarity with respect to the determination of water consumed for the period, Council will apply the following principle for determining a water consumption charge:

Section 102 of the *Local Government Regulation 2012* will apply to calculating water consumption charges against land or premises for which consumption charges were made and levied, so that:

- a) regardless of whether the meter reading for the second half of the 2017/2018 financial year occurs before the end of that financial year or after the beginning of the 2018/2019 financial year, the consumption charge for that half is calculated in accordance with the relevant basis of charge in Council's rating resolution for the 2017/2018 financial year; and
- b) regardless of whether the meter reading for the second half of the 2018/2019 financial year occurs before the end of that financial year or after the beginning of the 2019/2020 financial year, the consumption charge for that half is calculated in accordance with the relevant basis of consumption charge for the 2018/2019 financial year.

**6.5 Revenue Statement - Properties Exempt from General and Differential Rates [s172(2)(a)(ii) Local Government Regulation 2012]**

In addition to the rate exemptions granted under section 73 of the *Local Government Regulation 2012*, Council will grant an exemption from general rates (including differential general rates) in accordance with section 93(3)(i) of the *Local Government Act 2009*, where Council considers a property is used for a "charitable purpose".

Council is of the view that land is being used "for charitable purposes" when:

- a) land is predominantly being used for a purpose which has a public service element;  
**and**
- b) the use is being conducted on a not-for-profit basis.

The conditions for eligibility and the proportion of general rates exemption to be applied are set out in Council's Properties Exempt from General and Differential Rates Policy.

**6.6 Revenue Statement - Pensioner Remission [s172(2)(a)(ii) Local Government Regulation 2012]**

Council recognises the special needs of Pensioners who are owner-occupiers, and offers a remission of rates to financially assist this special needs group. The remission is provided by Council to encourage pensioners to be independent and live in their own home where possible as Council believes this provides a "quality of life" benefit.

The conditions for eligibility and the proportion of benefit for the Council rate remission are set out in Council's Pensioner Remission Policy.

**6.7 Revenue Statement - Concessions for Sporting Bodies and Other Not-for-Profit Organisations [s172(2)(a)(ii) Local Government Regulation 2012]**

Council will provide assistance to local sporting bodies and other not-for-profit community organisations by providing a concession for water and sewerage charges. These concessions are set out in Council's Water Allocation and Sewerage Connection Concessions for Sporting Bodies and Other Not-for-Profit Organisations Policy.

**6.8 Revenue Statement - Concealed Water Leak Concession [s172(2)(a)(ii) Local Government Regulation 2012]**

Council will provide support to Property Owners that may be experiencing High Water Consumption on their property by providing a proactive program for the identification of High Water Consumption. Council will grant a concession for Water Consumption charges for High Water Consumption arising out of a Concealed Leak in accordance with its Concealed Water Leak Concession Policy.

**6.9 Revenue Statement - Financial Hardship [s172(2)(a)(ii) Local Government Regulation 2012]**

Council will provide support to Property Owners that may be experiencing financial hardship who believe they are unable to meet a realistic payment arrangement for the rates and charges levied against a property.

Ratepayers experiencing financial hardship are encouraged to contact Council's Manager Revenue Services to discuss available options. Council's Financial Hardship Policy sets out



the guidelines for the assessment of requests for rates and charges relief due to financial hardship.

## **6.10 Revenue Statement - Payment**

### **6.10.1 Due Date of Payment**

In accordance with section 118 of the *Local Government Regulation 2012*, the due date for payment of all rates and charges is sixty (60) days from the date of issue of the rate notice.

### **6.10.2 Payment by Instalments**

In accordance with section 129 of the *Local Government Regulation 2012*, Ratepayers may choose to pay their annual rate account by equal monthly instalments subject to the following conditions:

- a) the rate discount for payment within thirty (30) or sixty (60) days is forfeited;
- b) the ratepayer must select the instalments payment option by signing the prescribed form which will be included with each rate notice, and return it no later than sixty (60) days after the date of issue of the notice;
- c) no reminder notices for instalments will be issued;
- d) rate instalment payments are due on the 21<sup>st</sup> day of each month, with ratepayers being advised in writing when their first instalment payment is due;
- e) the maximum instalment payment frequency is to be monthly; however, advance payments of instalments on a weekly and fortnightly basis are accepted;
- f) no interest penalty will apply to those participating in the instalment scheme provided that all payments are made in accordance with the instalment schedule; and
- g) should an instalment not be received by the due date, the total amount outstanding will become due and payable, and the ratepayer will forfeit the right to participate in the scheme, and interest charges will apply from the day after the due date of the unpaid instalment.

### **6.10.3 Utility Notice**

A separate notice for half yearly water and sewerage access charges and water consumption charges based on a six (6) month cycle is payable in full within sixty (60) days from the date of issue of the notice.

### **6.10.4 Payment of Rates and Charges in Advance**

Council will accept payment in advance on account of rates and charges, in a lump sum or via part-payments. Council will not pay (or credit) interest on prepaid rates and charges.

## **6.11 Revenue Statement - Discount and Interest**

### **6.11.1 Discount**

In accordance with section 130 of the *Local Government Regulation 2012*, a discount of 10% will be allowed where payment is made in full within discount period of the initial thirty (30) days of the date of issue of the rate notice, and a discount of 5% will be allowed if full payment is made within the discount period after the initial thirty (30) day period but before sixty (60) days from the date of issue of the rate notice.



Depending on the commercial environment in which that business operates, Council has regard to the following criteria in determining the amount of the above fees:

- a) Operating Costs;
- b) Borrowing Costs; and
- c) Return on Capital.

**7.0 ATTACHMENTS:**

Nil.

**8.0 REVIEW MECHANISM:**

This policy will be reviewed when any of the following occur:

- 1. The related legislation or governing documents are amended or replaced; or
- 2. Other circumstances as determined by resolution of Council or the CEO; or
- 3. Annually in conjunction with budget adoption.

| <b>TABLE OF AMENDMENTS</b> |                |                               |  |
|----------------------------|----------------|-------------------------------|--|
| <b>Document History</b>    | <b>Date</b>    | <b>Council Resolution No.</b> | <b>Notes (including the prior Policy No, precise of change/s, etc)</b> |
| Originally Approved        | 26 August 2008 | 08/483                        |  |
| Amendment 1                | 30 June 2009   | 09/363                        |  |
| Amendment 2                | 06 July 2010   | 10/212                        |  |
| Amendment 3                | 05 July 2011   | G/11/595                      |  |
| Amendment 4                | 06 August 2012 | S/12/1144                     |  |
| Amendment 5                | 01 July 2013   | S/13/1605                     |  |
| Amendment 6                | 02 July 2014   | G/14/2058                     |  |
| Amendment 7                | 06 July 2015   | S/15/2463                     |  |
| Amendment 8                | 05 July 2016   | S/16/2828                     |  |
| Amendment 9                | 04 July 2017   | S/17/3088                     |  |
| Amendment 10               | 24 July 2018   | S/18/3479                     |  |

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**ROSLYN BAKER**  
**CHIEF EXECUTIVE OFFICER**