

**QUEENSLAND PORT
GOVERNMENT OWNED CORPORATIONS**

Local Government General Rates Equivalents Regime

Guidelines for Assessment, Collection & Payment

LOCAL GOVERNMENT GENERAL RATES EQUIVALENTS REGIME GUIDELINES FOR ASSESSMENT, COLLECTION AND PAYMENT

Preamble

The Queensland Government decided on 10 May 1999 to establish a regime for the collection of general rates for strategic port land in commercial use by port Government Owned Corporations (GOCs).

Local Government general rates equivalents (referred to as “general rates equivalents”) on strategic port land in commercial use will apply to port GOCs with effect from 1 July 1999.

Except to the extent set out in these guidelines, the imposition, assessment and collection of general rates equivalents will be determined by reference to the *Local Government Act 1993* as amended from time to time. Under the general rates equivalents regime, the Treasurer will have sole discretion to make ex-gratia payments to local authorities equal to the sum of the general rates equivalents paid to Queensland Treasury by port GOCs.

1. Application

The general rates equivalents regime will apply only to port GOCs subject to the Queensland Tax Equivalents Regime.

2. Commencement Date

The general rates equivalents regime will apply to each Port GOC commencing 1 July 1999.

3. Land subject to the Local Government General Rates Equivalents Regime

Local governments would be responsible for determining the land on which a general rate equivalent may be paid and would obtain an unimproved valuation (as defined by s3 of the *Valuation of Land Act 1944*) on the land from the Department of Natural Resources with the agreement of the relevant port GOC.

This valuation would be used as the basis upon which the general rates equivalents payable would be determined. For the purposes of this regime, the procedure for obtaining valuations and lodging objections to valuations would mirror the requirements specified in the *Valuation of Lands Act 1944*, unless varied in these guidelines.

For general rating purposes, strategic port land is defined as land specified as strategic port land in a port GOCs approved land use plan in accordance with Part 4 of the *Transport Infrastructure Act 1994*.

The following criteria need to be satisfied for land to be considered Strategic Port Land:

1. the land must be currently held by the port GOC;

2. the land must:

- be contiguous with the land/sea interface (ie. may include parcels of land separated from the land/sea interface by a transport corridor); **or**
- be located in the airport proximity with efficient access to airport facilities (where airport management has been confirmed as a core business activity by the Shareholding Ministers).

3. The land must be utilised for at least one of the following:

- the direct facilitation of import/export trade; **or**
- the direct facilitation of air transport; **or**
- used by industries requiring port facilities which need to be in close proximity to the port; **or**
- the integration of transport modes; **or**
- buffer lands; **or**
- boating facilities (where included by the Shareholding Ministers as an approved activity).

Strategic Port Land is defined as being in “commercial use” if the land occupied by a port GOC is used or available for use with the objective of making a profit. Where land is available for use but is not utilised, general rates equivalents will only become payable upon the commencement of any preparatory work associated with the commercial use of the land.

Where a port GOC operates an airport, general rates equivalents are payable on those parts of the airport site on which the port GOC undertakes trading or financial operations including but not limited to retail outlets and concessions, car parks and valet car parks, other commercial activities or other activities by which the port GOC derives income but excluding runways, taxiways, aprons, roads, vacant land, buffer zones and grass verges, and land identified in relevant airport plans for these purposes.

Areas occupied by the Commonwealth or Queensland Government or an authority constituted under Commonwealth or Queensland Law (other than statutory port GOCs) are excluded from paying general rates in accordance with Commonwealth or Queensland Law.

The Local Government General Rates Equivalents Regime would **not** apply to:

- roads;
- vacant land and buffer zones (unless such land is available for commercial use, in which event general rates would be payable on commencement of any preparatory work associated with the commercial use of the land);
- land below the high water mark; and
- existing or new rail corridors

4. Local Government General Rates Equivalents Payable

The general rates equivalents payable under this regime shall be determined by the relevant local authority which will issue a general rates notice to each Port GOC. A general rates

notice issued by the local government under the general rates equivalents regime will include the following information:

- date of issue of the notice;
- date by which or the time within which the general rates equivalents must be paid;
- amount payable; and
- any discount applicable to the general rates equivalents.

The general rates equivalents assessed as payable, as per the general rates notice, shall be paid by each port GOC to Queensland Treasury in accordance with the manner for payments as set out in section 8 to these guidelines.

5. Ex-Gratia Payment to Local Authorities

The Treasurer has sole discretion to make ex-gratia payments to local authorities equal to the sum of the general rates equivalents paid to Queensland Treasury by port GOCs. To facilitate this payment, the relevant local authority will make an application to Queensland Treasury for an ex-gratia payment at the time general rates notices are issued to Port GOCs. The application made to Treasury should contain the following information:

- description of the land and its valuation;
- the rate applied to determine general rates equivalents;
- gross amount of general rates equivalents;
- net amount of general rates equivalents, where a discount is allowed for prompt payment; and
- due date for payment of general rates equivalents specified in the general rates notice issued to the relevant Port GOC.

Subject to the Treasurer's approval, ex-gratia payments of general rates equivalents to local government will be aligned with the billing frequency of the local government concerned.

6. Timing of Payments – General Rates Equivalents

The frequency for payment of general rates equivalents to Queensland Treasury by the port GOCs will be determined by reference to the particular billing arrangements in place in each local authority.

7. Discounts for prompt payment

Depending on the policy of the relevant local government, a discount will be made available for prompt payment of general rates equivalents. The discount will be deemed to apply providing Queensland Treasury receives payment from relevant port GOC on or before the due date to which the discount applies.

8. Method for payment of Local Government General Rates Equivalents

The general rates equivalents payable by Port GOCs will be paid to Queensland Treasury by way of Electronic Funds Transfer (by 4.00 pm on the date prescribed for payment to achieve a discount, or by the due date subsequent to any discount date) into the following account:

Account: : Queensland Treasury Administered Account
BSB Number: 064 – 013
Account Number: 10007 619

By 10.00 a.m. on the day of **actual payment** by a Port GOC of general rates equivalents into the above account, the Port GOC will advise Queensland Treasury and the relevant local authority in the manner set out in Schedule 1 to these guidelines.

9. Penalties for overdue payments

Where general rates equivalents remain unpaid at the end of a specified period stipulated in a general rates notice issued by a local authority, the relevant Port GOC may be liable for penalty interest as prescribed in Division 3 of the *Local Government Act 1993* and in accordance with the policy on interest rates on overdue rates of the relevant local government.

10. Objection Mechanism

The Treasurer will be the sole final arbiter in relation to any disputes arising from the operation of the Local Government General Rates Equivalents Regime. Where a Port GOC is dissatisfied with the amount of general rates equivalents payable or a decision to impose penalties for late payment of general rates equivalents, an application for review may be lodged with Queensland Treasury.

Where any general rates equivalents are in dispute, Port GOCs will be required to make payment to Treasury on the dates specified in the rates notice, pending resolution of the dispute.

SCHEDULE 1

**SAMPLE FACSIMILE FOR PORT GOCs TO NOTIFY TREASURY OF PAYMENT
OF GENERAL RATES EQUIVALENT AMOUNT**

TO **Corporate Finance Unit** TO FAX No. **(07) 3210 0746**
Performance and Finance Branch
Queensland Treasury

ATTENTION **Revenue Officer** FROM FAX No. *{Insert}*

FROM *{Insert name of Port GOC}* DATE *{Insert}*

No. OF 1 (INCLUSIVE)
PAGES

IF NOT Sender: *{Insert}*
LEGIBLE, Telephone: *{Insert}*
CONTACT

MESSAGE

**NOTIFICATION TO TREASURY OF PAYMENT OF GENERAL RATES
EQUIVALENT AMOUNT**

_____ *{Insert name of Port GOC}* hereby notifies Queensland Treasury that
payment of \$ _____ *{Insert the amount of the general rates equivalent payment}* was
made at _____ *{Insert the time when the Electronic Fund Transfer occurred or will occur}*
today _____ *{Insert today's date}* into the following account:

Account: Queensland Treasury Administered Account
BSB Number: 064 - 013
Account Number: 1000 7619

The above-mentioned general rates equivalent amount represents payment of
{Insert description of payment} due and payable on _____ *{Insert prescribed
payment date}* in terms of a notice issued by the _____ *{Insert name local
authority}*.

We understand that if payment of the abovementioned amount is not transmitted to the
Queensland Treasury Administered Expenditure Account by 4.00 p.m. on the same day as
this notice, penalties may be imposed by the Corporate Finance Unit, if reliance on this notice
causes loss to the Department.

Further, we understand that the Corporate Finance Unit will notify the Office of Government
Owned Corporations on 3224 5725 that the payment has been made as set out in this
notification.

Copy to: *{Insert name of local authority}*
Fax Number: *{Insert}*