

OUTBACK COMMUNITIES AUTHORITY

# Community Contribution

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## Implementation Guidelines

### DOCUMENT CONTROL

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# Community Contribution

## Implementation Guidelines

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### INTRODUCTION

These guidelines provide practical detail on how the Outback Communities Authority's (OCA) Community Funding Policy (the Policy) will be applied. The guidelines support the Policy and are intended as a guide for staff assigned to the OCA to assist it when it is intended to introduce a Community Contribution Scheme. Unless extenuating circumstances exist, these guidelines should be applied in all situations.

The OCA supports the orderly operations of outback community based associations through Community Affairs Resourcing and Management (CARM) Agreements. A CARM Agreement is negotiated annually with an incorporated association representing its community and responsible for coordinating local services. A CARM Agreement sets out the OCA's support for communities and may validate a community contribution for specific purposes.

A community contribution is implemented pursuant to Section 21 of the *Outback Communities (Administration and Management) Act 2009* and in accordance with the *Local Government Act 1999* (LG Act).

### INITIATING A COMMUNITY CONTRIBUTION

A community contribution can only be implemented in a specific community by mutual agreement between the Community Entity and the OCA. A community contribution must be validated by a CARM Agreement between the Community Entity and the Outback Communities Authority. The CARM Agreement must be subjected to community consultation in accordance with the OCA's *Community Consultation Policy*.

The OCA will negotiate with the Community Entity on cost sharing arrangements for the management of specific services based on the approved community plan, financial plan and/or budget prepared in consultation with the whole community to which it relates.

In principle approval from the OCA is required before a process of consultation on the CARM Agreement incorporating a community contribution is started. Once consultation has concluded and general acceptance of the CARM Agreement and community contribution is clear further approval from the OCA is sought regarding:

- Seeking the consent of the Minister responsible for the OC Act for the fixed charge of the community contribution.
- Execution of the CARM Agreement.
- Declaration of the rate.
- Any other matter arising from the consultation.

### IMPLEMENTATION OF A COMMUNITY CONTRIBUTION

Implementation of a community contribution will be in accordance with Part 2 Chapter 10 of the LG Act.

Once the Minister's consent for the fixed charge has been granted, the CARM Agreement is to be sent to the Community Entity for execution. The declared rate must be published in the Government Gazette and a newspaper circulating in the area within 21 days of declaration of the rate.

### CALCULATING THE COMMUNITY CONTRIBUTION

The State Government's Lands Titles Office maintains a record of all land titles, Valuer-General information and land ownership within the State. This database will be used as the basis to create and maintain an assessment record for land subject to a community contribution. Other Government databases may be relied upon to augment the base data.

A community contribution will apply to all rateable properties not subject to mandatory or discretionary rebates (section 159 - 169 LG Act) within an area declared by the OCA.

Landholders claiming hardship may follow the steps set out in the OCA's Concessions Policy.

Calculations of the contribution may take into account the likely impact of potential remission or postponement of the contribution so that the total raised is sufficient for the purpose.

### IMPLEMENTING A COMMUNITY CONTRIBUTION

A rate notice must be sent to each rateable land holder and:

- Allow for the payment in quarterly instalments.
- Issued at least 30, but not more than 60, days before the due date of the instalment.
- Specify;
  - The purpose(s) for which the community contribution is declared.
  - The basis on which the community contribution is calculated.
  - The period the community contribution will be charged over.
  - The differentiating factor, if any that has been applied to calculate the community contribution - the Property Units Code<sup>1</sup>.
  - The amount of the quarterly payment and the due date.

### COLLECTING THE CONTRIBUTION

The OCA will ensure an efficient billing and debtors register is maintained that includes:

- All relevant properties included in the property database and the billing process.
- The correct calculation of property units.

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<sup>1</sup> Refer Appendix A – How to calculate a Property Unit.

- Identification and matching of payments received - whether directly or through a third party.
- Reconciliation of amounts received with the correct billing details.
- Follow-up action of overdue amounts.
- Prompt investment of funds.
- Return any unused portion of the fund in the same proportion as the community contribution was collected.

The OCA may outsource any of the community contribution collection process.

#### RIGHTS OF CONTRIBUTORS

Where there is disagreement about the allocation of property units for the calculation of the community contribution, an application for review can be lodged with the OCA under the *Internal Review of OCA Decisions Policy*. An application to review the amount does not suspend the OCA's right to collect the community contribution.

Application may be made by a land holder for discretionary rebates. Each application will be assessed on its individual merits by the OCA (refer s159-166 LG Act).

The OCA Concession Policy allows postponement or writing off of community contributions in cases of financial hardship (Refer s182 LG Act.)

#### DOCUMENTATION

The following documents apply to the processes outlined in this guideline:

- Community Funding Policy
- Public Consultation Policy
- CARM Agreement

## Annexure A

### HOW TO CALCULATE A PROPERTY UNIT

#### **Definition of a “property unit”**

The Property Unit system outlined in this policy has been developed to provide for the differential application of community contributions by various properties categorised according to the use of the land.

One Property Unit is based on a single residential dwelling. All other categories of property are compared to the single residential dwelling and the number of Property Units is adjusted accordingly.

#### **Calculation of property units for categories of properties**

The following method of determining Property Units shall apply to the various categories of properties outlined below.

##### **1. Residential dwellings**

As outlined in the definition of a ‘property unit’ above, a single residential dwelling comprises the basis of a single Property Unit, therefore:

**1 residential dwelling = 1 property unit.**

A residential dwelling comprises a single household occupancy whether a flat, unit, semi-detached, row cottage or separate dwelling.

##### **2. Vacant allotments**

**1 vacant allotment = 1 property unit.**

A vacant allotment comprises any vacant parcel of land held under separate title, capable of sale without requiring approval for division.

**Note:** Where a single residence is constructed over the boundary of 2 or more allotments and/or the residence and adjoining allotments are developed in such a way that none of the allotments could be sold without removal of part or all of the residence or associated buildings, the Authority may choose to treat all the adjoining allotments as constituting a single Property Unit.

##### **3. Commercial premises (one occupancy per building)**

For example: shops, offices (including Government offices) or private agencies.

The number of Property Units is to be calculated as follows:

$$\frac{\text{FTE}}{6}$$

#### **Where:**

**FTE** = the number of full time equivalent employees (not living on the site) based on the annual average number of employees. Any fraction obtained by such division shall

be rounded up to the nearest half or full Property Unit. All commercial premises (including vacant premises) shall be considered a minimum of one Property Unit.

**Example 1:** A general store employing ten persons, being full-time equivalents, would be assessed as two Property Units.

$$\frac{10}{6} = 1.67^*$$

\*(Rounded up to next full Property Unit = 2 Property Units)

**Example 2:** An office employing the equivalent of seven full-time persons would be assessed as one and a half Property Units.

$$\frac{7}{6} = 1.17^*$$

\*(Rounded up to next half of a Property Unit = 1.5 Property Units)

**4. Multiple commercial premises with or without a residence**

Each commercial occupancy shall be calculated separately on the overall number of employees in accordance with Item 3.

A single Property Unit shall be charged for any residence forming a part of commercial premises, in addition to the separate commercial property unit calculation pursuant to Item 3 (Commercial Premises).

**Note:** Where an office or other business and a residence are combined and occupied by the same person or persons, a single Property Unit may be considered an appropriate charge.

**5. Hospital, nursing or rest homes, or similar occupancies**

The number of Property Units is to be calculated as follows:

$$\frac{\text{FTE} + \text{BEDS}}{6}$$

**Where:**

**FTE** = the number of full time equivalent employees (not living on the site) based on the annual average number of employees.

**BEDS** = the number of accommodation beds.

Any fraction obtained by such calculation shall be rounded up to the nearest half or full Property Unit.

**Example:** A hospital employing 10 full time equivalent employees and holding 50 accommodation beds would be assessed as 10 Property Units.

$$\frac{10 + 50}{6} = 10$$

Any residential dwelling attached to the complex and/or any permanent occupancy by a proprietor, manager, or one or more employees will be assessed as an additional Property Unit.

6. **Hotel, motel, residential clubs, or similar occupancies**  
The number of Property Units is to be calculated as follows:

$$\frac{\text{FTE} + (\text{BEDS} \times 0.7)}{6}$$

**Where:**

**FTE** = the number of full time equivalent employees (not living on the site) based on the annual average number of employees.

**BEDS** = the number of accommodation beds.

**Note:** The use of 0.7 in the formula is an **assumed** occupancy rate (i.e. 70%). Any fraction obtained by such calculation shall be rounded up to the nearest half or full Property Unit.

**Example:** A hotel that employs 5 full time equivalent employees and holds 10 accommodation beds would be assessed as two Property Units.

$$\frac{5 + (10 \times 0.7)}{6} = 2$$

Any residential dwelling attached to the complex and/or any permanent occupancy by a proprietor, manager or one or more employees will be assessed as an additional Property Unit.

**Premises with a public bar or restaurant**

Where a public bar and/or restaurant exist at a hotel, motel or club, additional Property Units are to be calculated for the bar / restaurant trade as follows:

- (a) where the average daily attendance is up to 100 persons, 1 additional Property Unit shall be charged;
- (b) a further additional half of a Property Unit shall be charged for each additional 50 persons or part thereof.

**Example:** A hotel that employs 15 full time equivalent employees, holds 20 accommodation beds and contains a public bar that has a daily attendance of 65 persons would be assessed as 6 Property Units.

$$\frac{15 + (20 \times 0.7)}{6} = 4.83 + 1.0 \text{ (for patronage)} = 5.83^*$$

\* (Rounded to the nearest full Property Unit = 6.0 Property Units)

7. **Industrial premises**

The number of Property Units is calculated based on the number of employees in accordance with item 3 (Commercial Premises).

8. **Caravan parks**

Each permanently occupied site within a caravan park, such as a caretaker's/owner's dwelling, mobile home/cabin must be assessed as one Property Unit.

For other sites, not occupied on a permanent basis, the number of Property Units shall be calculated as follows:

**DSO p.a.**

365

**Where:**

**DSO p.a.** = Daily site occupancies per annum - i.e. the total number of overnight uses of camping sites, caravan sites, cabins etc in a 12-month period.

	Daily Site Occupancy (Per Annum)	Property Unit
Caretaker's Dwelling		1
Permanently occupied sites		5
Caravan Sites	(a) 1800	
Holiday Cabins	(b) 500	
Tents (Camping) sites	(c) 200	
Total Annual Occupancies	2500	
<u>2500 occupancies</u>		6.85
365 days in year		
Total Property Units		12.85

**Where:**

- (a) = the number of caravan sites x the number of days occupied per year.
- (b) = the number of Holiday Cabins within the Caravan Park x the number of days occupied per year.
- (c) = the number of tents (camping sites) x the number of days occupied per year.

**9. General Provisions**

When a calculation requires estimation of the number of employees at a location, business owners and others who spend a substantial portion of time on the subject premises are to be considered as employees for the purposes of these calculations.

Where a calculation produces a fraction of a Property Unit, it shall be rounded up to the next full or half of a Property Unit, provided that the minimum service charge to be applied to any property is one Property Unit.