

Ombudsman Advisory



Cost-recovery fees: fixing a fair price

Background

The Ombudsman received a complaint from a property owner who alleged that the Brisbane City Council's (BCC) ownership transfer fee (OTF) was excessive.

Council imposes the OTF on new property owners under s.99(2)(b) of the City of Brisbane Act 2010 (COBA) for 'recording a change of ownership of land'.

According to s.99(4) of the COBA, the OTF should be a 'cost-recovery fee'. On this basis, the fee must not be more than the cost to council of recording a change of property ownership. The BCC's OTF for 2013-14 is \$177.

Investigation

Investigators reviewed the relevant legislation and analysed a wide range of documents provided by the BCC.

The Ombudsman also obtained independent legal advice about the types of costs which could be included in the calculation of the OTF as a cost-recovery fee.

Outcome

The Ombudsman's review revealed that BCC had improperly included a wide range of billing and governance activities in the calculation of the OTF.

The Ombudsman recommended that BCC recalculate the OTF in accordance with a proper interpretation of s.99 of the COBA and refund a portion of the OTF for 2011-12, 2012-13 and 2013-14.

A report summarising the investigation's findings can be found on the [Ombudsman's website](#).

Making a difference

Councils across Queensland charge various amounts for their ownership transfer fees under identical provisions in the Local Government Act 2009. Therefore, the issues raised in the report are applicable to all councils.

Councils must be particular about what costs are included in the fee for recording a change of property ownership and ensure that they are not more than the cost to council of recording a change of property ownership. It may be necessary to seek professional advice before fixing a fee.

All personal information you provide is handled in accordance with the Information Privacy Act 2009. We will use relevant personal information for the purpose of assessing and/or investigating your complaint and responding to you. It will ordinarily be necessary to disclose relevant information to the agency you have complained about so that they can provide a response to us.

For more information on privacy, go to our website and click on the Privacy tab at the top of our homepage.

[Edit your subscription](#) | [Unsubscribe](#)

GPO Box 3314, Brisbane
Queensland 4001
Telephone: (07) 3005 7000 or
1800 068 908 outside Brisbane
ombudsman@ombudsman.qld.gov.au
www.ombudsman.qld.gov.au