

20160525 Confidential Item 16.1.1 Report Acquisition of Valueless Land for Overdue Rates and Charges

Objective Reference: A1571828
Reports and Attachments (Archives)

Attachment: [Schedule 62](#)

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PURPOSE

To request Council resolve to acquire the land identified in the attached *Schedule 62* for overdue rates and charges.

BACKGROUND

Rate Notices are issued on a quarterly cycle to owners of the parcels of land identified in the attached *Schedule 62*. Rates and charges on each parcel have been outstanding for greater than 3 years and collection activity has been unable to yield payment.

ISSUES

The land identified in attached *Schedule 62* is put forward for resolution to acquire as valueless land for overdue rates and charges because:

- Collection activity is unable to yield payment.
- Further recovery action (i.e. Legal Action) is not considered reasonable due to site values and zoning of the land.
- All properties are on the Southern Moreton Bay Islands (SMBI).
- Sixteen (16) of the 18 parcels of land are zoned Conservation with a sub-zone of CN1 or CN2. This land is not considered acceptable for sale of land, but is acceptable for acquisition as valueless land as per Council Resolution 26 October 2005. This land is put forward for approval to acquire as valueless land under section 148(e)(i).
- The remaining 2 parcels are zoned SMBI Residential and are put forward for approval to acquire as valueless land under section 148(e)(ii). The Strategic Planning Group have identified:

- [REDACTED] (Property Number 9723) as land that should be in public ownership to assist with bushfire management and the consolidation of Council owned conservation land. The land is currently rated for the purposes of differential general rates as Vacant land. The property is a single lot surrounded by Council owned conservation land and is included within the SMBI Residential zone and as such a dwelling could be constructed on the land.

Council has an interest in bringing this property into public ownership to remove the development potential of the land, which would remove the need for vegetation to be cleared on this property and the surrounding area to manage bushfire risk if a house were to be built on this property. Council ownership of this lot would also consolidate Council ownership of conservation zoned land and provide a more functional boundary between residential and conservation areas and allow the zoning to be changed from SMBI Residential to Conservation. Council is also in the process of amalgamating all adjoining Council owned conservation land as a first step in the creation of formal conservation parks on the Southern Moreton Bay Islands. The current site value on this land is \$12,800 with rates and charges outstanding of \$40,243.

- [REDACTED] (Property Number 21533) as land that should be in public ownership to assist with bushfire management and the consolidation of Council owned conservation land. The characteristics of the property and Councils motivation for acquiring the land is the same as outlined above for [REDACTED]. The current site value on this land is \$14,000 with rates and charges outstanding of \$17,877. An independent 2014 market valuation was \$15,000. It is considered that if the property was offered for sale at a *Sale of Land for Overdue Rates* auction it would not reach an amount that would cover the outstanding rates and charges.
- Fifteen (15) of the 18 properties have a site value of \$500. All properties have a site value less than the outstanding rates.
- All properties meet the criteria stated for the acquisition of land for overdue rates and charges stated in Section 148 of the *Local Government Regulation 2012*.

Under the *Local Government Regulation 2012* property owners are issued a Notice of Intention to Acquire Land. The property owner will have six months to pay the overdue rates and charges in full. If the rates and charges are not paid within this timeframe, transfer documentation will be submitted to the Registrar of Titles to record Redland City Council as the registered owner of the land.

A brief summary of each property identified in the attached *Schedule 62* follows:

Property Number	Property Purchased	Last Payment Received	Comments
9723	Oct 1985	May 2006	Council has identified an interest in bringing this property into public ownership to assist with bushfire management and the consolidation of Council owned conservation land.
13842	Mar 2009	Mar 2012	Mail has been returned since quarter 1, 2015. All contact numbers are disconnected. No response has been received to correspondence requesting the owner make contact. There is no listing in Electronic White Pages.
16286	Jul 1989	Feb 2012	Bankruptcy notification received in February 2014. In August 2015, an enquiry was made by [REDACTED] a specialist insolvency practice, regarding the potential for a Voluntary Transfer of the land back to Council. No further information has been received.
16603	Apr 1986	Aug 2012	Application for Voluntary Transfer received in February 2016.
18335	Oct 1989	Jan 2013	Owner's daughter advised in November 2013 that she was no longer going to pay the rates and she would wait until the property was acquired as valueless land.
23103	May 2004	Oct 2012	Owner's daughter advised in July 2015 that she would not be paying the rates and was intending to hand the land back to Council. No request for Voluntary Transfer has been received.
23650	Oct 1992	Jul 2014	Legal action was taken and Judgment awarded in July 2013. We are now unable to locate the owner to pursue the arrears.
24733	Jan 1990	May 2012	In 2012 the customer made enquiries from the Netherlands to voluntary transfer the land back to Council.
25518	Dec 1991	Jan 2013	Customer emailed voluntary transfer information in January 2016.
26256	Aug 2001	Sept 2012	Owners' passed away in 2013. Their daughter was provided with information regarding voluntary transfer of the land back to Council in July 2014. The daughter has avoided contact since January 2015.
29423	Dec 1984	July 2012	The owner's son was in contact February 2016 and wanted to do a Voluntary Transfer, but was unable to do so easily because the Certificate of Title lists a mortgage.
36983	Apr 1982	Oct 2011	The owner wanted to do a Voluntary Transfer in 2012; however does not have the original title so was waiting on acquisition of the land by Council.
38486	Jan 1984	Jul 2011	A land exchange was requested by the NSW Public Trustee in February 2015, however it did not proceed.
45297	Nov 1993	May 2013	No returned mail. The owner will not return phone calls or answer our correspondence.
50066	Nov 1991	Nov 2012	The owner was discussing Voluntary Transfer of the land back to Council; however the Certificate of Title was never provided.
204425	Jul 2007	Jan 2009	Property owner a deregistered company. Council attempted to acquire the land in 2011, but the transfer did not proceed as there is a requirement on the Title that the land must be re-surveyed. The

Property Number	Property Purchased	Last Payment Received	Comments
			Survey Services Manager has requested the Titles Office to relax the survey requirement for this transfer. There may be a cost to Council of approximately \$15,000 to resurvey if the Titles Office does not grant the relaxation. ASIC is not prepared to pay the rates and charges outstanding and the debt will continue to grow if not acquired by Council.
21533	May 1975	July 2007	<i>"Identified as land that should be in public ownership to assist with bushfire management and the consolidation of Council owned conservation land".</i> In December 2015, "Own it Conveyancing" contacted Council and advised they represented someone who had been looking to buy the property and it had been under a contract for the last 18 months. In Jan 2014 they requested the owner to obtain a copy of the Certificate of Title as it had been lost. The owner has not produced the new Certificate of Title.
35493	May 1986	Feb 2011	The owner requested a Voluntary transfer of the land back to Council in 2015, however they have not been able to supply the original Certificate of Title for the transfer to proceed.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 148, of the *Local Government Regulation 2012* (Regulation) sets out the criteria for the acquisition of land considered to be valueless for overdue rates and charges, namely:

- The liability to pay the overdue rates or charges is not the subject of court proceedings; and
- Some of the overdue rates or charges have been overdue for at least 3 years; and
- The person who is liable to pay the overdue rates or charges has an interest in the land that a corporation is not prohibited from holding; and
- Either of the following applies –
 - a. The total amount of the overdue rates or charges is more than the value of the land and the land is considered to be:
 - i. Valueless; or
 - ii. Of so little value that, if it were sold, the proceeds of the sale would be less than the amount of the overdue rates or charges;
 - b. The total amount of the overdue rates or charges is more than the market value of the land.

Risk Management

The following risk management framework has been put into place.

Risk	Mitigation
Legal challenge by owner	Ensure all parcels meet the criteria for valueless land acquisition outlined in section 148 of the <i>Local Government Regulation 2012</i> .
Financial cost to Council	The ongoing cost to Council to maintain the land parcels after acquisition has been estimated under direction of City Planning and Assessment and accounted for in future budgets. A cost to survey the land parcel of the property identified as property number 204425 has been completed.
Consistency with Planning Scheme.	The City Planning and Environment Group was consulted and it is considered the outcome of the recommendations in this report will not require any amendments to the Redlands Planning Scheme.

Financial

The estimated financial implications impacting Council as a result of this report are:

Estimated One-off Costs	
Cost of substitute service (advertising, legal)	\$ 3,260
Cost to transfer ownership of land to Council	\$ 2,800
Cost to resurvey property number 204425	\$15,000
Total	\$21,060

Estimated Annual Costs	
Cost of on-going maintenance	\$4,800

People

No people implications identified.

Environmental

The City Planning and Assessment Group was consulted and they have identified two properties that should be in public ownership to assist:

- with the consolidation of land for conservation purposes;
- the management of bushfire; and
- reduce infrastructure provision costs.

Social

No social implications identified.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of the 2015-2020 Corporate Plan:

8. Inclusive and ethical governance

8.2 Council produces and delivers against sustainable financial forecasts as a result of best practice Capital and Asset Management Plans that guide project planning and service delivery across the city.

- 8.3 Implementation of the Corporate Plan is well coordinated across Council and through a delivery mechanism that provides clear line of sight, accountability and performance measurement for all employees.

CONSULTATION

This report has been compiled after consultation with the following business areas:

- City Planning and Environment
- Property Services

OPTIONS

1. That Council resolves to acquire the land identified in the attached *Schedule 62* under Chapter 4, Part 12, Division 3, Subdivision 3 of the *Local Government Regulation 2012* for overdue rates and charges, which meet the criteria outlined in section 148 of the same regulation.
2. That Council does not resolve to acquire the land. The rates and charges will continue to be levied and remain unpaid.

OFFICER'S RECOMMENDATION

That Council resolves to acquire the land identified in the attached *Schedule 62* under Chapter 4, Part 12, Division 3, Subdivision 3 of the *Local Government Regulation 2012* for overdue rates and charges.

REDLAND CITY COUNCIL
Valueless Land Action
Schedule 62

Property Number	Legal Description & Property Address	Registered Owner and Service Address	Zone	Land Area (m ²)	Site Value \$	Years/Months Outstanding as at 3 May 2016	Rate Account Balance as at 3 May 2016 \$
9723			SR	546	12,800	14y 7m	40,410.45
13842			CN1	807	500	3y 5m	1,703.65
16286			CN1	930.8	500	4y 2m	2,031.15
16603			CN1	567	500	3y 5m	1,798.14
18335			CN1	536	500	3y 0m	1,548.43
23103			CN1	581.7	500	4y 2m	2,008.83
23650			CN1	556.4	500	4y 2m	6,783.78
24733			CN1	575	500	3y 7m	1,849.77

REDLAND CITY COUNCIL
Valueless Land Action
Schedule 62

Property Number	Legal Description & Property Address	Registered Owner and Service Address	Zone	Land Area (m ²)	Site Value \$	Years/Months Outstanding as at 3 May 2016	Rate Account Balance as at 3 May 2016 \$
25518			CN1	658	500	3y 0m	1,548.39
26256			CN1	637.4	500	3y 5m	1,746.74
29423			CN1	660	500	4y 7m	2,240.07
36983			CN1	506	500	4y 2m	2,075.44
38486			CN1	556.44 and 556.44	500	4y 5m	8,155.76
45297			CN1	569	500	3y 0m	1,453.64

REDLAND CITY COUNCIL
Valueless Land Action
Schedule 62

Property Number	Legal Description & Property Address	Registered Owner and Service Address	Zone	Land Area (m ²)	Site Value \$	Years/Months Outstanding as at 3 May 2016	Rate Account Balance as at 3 May 2016 \$
50066			CN1	658	500	3y 2m	1,994.27
204425			CN1	52,230	1000	7y 2m	4,296.03
21533			SR	558.9	14,000	8y 7m	17,949.60
35493			CN1	546	500	5y 0m	8,128.18