

19.1 ACQUISITION OF VALUELESS LAND FOR OVERDUE RATES AND CHARGES

Objective Reference:

Authorising Officer: Deborah Corbett-Hall, Chief Financial Officer

Responsible Officer: Deborah Corbett-Hall, Chief Financial Officer

Report Author: Thomas Turner, Team Leader Accounts Receivable and Payments

Attachments:

1. Schedule October 2019 - Confidential
2. Schedule for Valueless Land Resolution

The Council is satisfied that, pursuant to Section 275(1) of the *Local Government Regulation 2012*, the information to be received, discussed or considered in relation to this agenda item is:

- (h) *other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.*

PURPOSE

To request Council resolves to acquire the land identified in the attached *Schedule October 2019* 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 October 2019*. Rates and charges on each parcel have been outstanding for greater than three years and collection activity has been unable to yield payment.

ISSUES

The land identified in the attached *Schedule October 2019* is put forward for resolution to acquire as valueless land for overdue rates and charges: as

- 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;
- the land parcels are zoned Conservation which is not considered acceptable for sale of land but is acceptable for acquisition as valueless land;
- the majority of land parcels have site value of \$500;
- the outstanding rates are greater than the site value; and
- the land meets the criteria stated for the acquisition of land for overdue rates and charges stated in Section 148 of the *Local Government Regulation 2012*.

Two parcels of land display unique attributes in that one parcel carries a site value of \$10,000 and another 10 square metre lot is unzoned land. Both of these land parcels still meet the criteria for acquisition by Council stated in Section 148 of the *Local Government Regulation 2012* (Regulation).

Under the *Regulation* 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 summary of each property identified is attached in *Schedule October 2019*.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 148 of the *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 three 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 –
 - i. the total amount of the overdue rates or charges is more than the value of the land and the land is considered to be:
 - a. valueless; or
 - b. 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;
 - ii. 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.
Consistency with Planning Scheme	The City Planning and Assessment Group and Environment and Regulation Group were consulted and it is considered the outcome of the recommendations in this report will not require any amendments to the Redlands Planning Scheme.

Financial

Overdue rates and charges for the 21 properties in attached *Schedule October 2019* total \$81,635.

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

Estimated One-off Costs	
Cost of substitute service (advertising, legal)	\$
Cost to transfer ownership of land to Council	\$
Total	\$
Estimated Annual Costs	
Cost of on-going maintenance	

Properties where the arrears are not paid within six months after the Council resolution will be acquired by Council as per *section 151 of the Regulation*, by

- discharging the overdue rate or charges on the land, and
- giving the registrar of titles a request, in the appropriate form, to record Council as the registered owner of the land.

People

Nil impact expected as the purpose of the report is to submit to Council a list of properties for resolution acquired as valueless land for overdue rates and charges.

Environmental

Nil impact expected as the purpose of the report is to submit to Council a list of properties for resolution acquired as valueless land for overdue rates and charges.

Social

Nil impact expected as the purpose of the report is to submit to Council a list of properties for resolution acquired as valueless land for overdue rates and charges.

Alignment with Council's Policy and Plans

This report has a relationship with the following items of Council's 2018-2023 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

Consulted	Consultation Date	Comments/Actions
Chief Financial Officer	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
General Counsel	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Service Manager Financial Operations	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Group Manager Environment & Regulatory, Community and Customer Services	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Service Manager Compliance, Community and Customer Services	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Senior Property Officer, Community and Customer Services	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Service Manager Development Control, Community and Customer Services	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.

Consulted	Consultation Date	Comments/Actions
Principal Strategic Planner, Community and Customer Services	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Team Leader Local Laws, Community and Customer Services	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Senior Conservation Officer, Infrastructure and Operations	2 Aug 2019	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Environmental Health Officer, Community and Customer Services	6 Aug 2019	Confirmation that properties do not appear on the contaminated land register.
Conservation Fire Management Project Off, Infrastructure and Operations	6 Sept 2019	Supply cost for annual maintenance of land to be acquired.
Conservation Fire Management Officer, Infrastructure and Operations	6 Sept 2019	Supply cost for annual maintenance of land to be acquired.

OPTIONS

Option One

That, pursuant to Chapter 4, Part 12, Division 3, Subdivision 3 of the *Local Government Regulation 2012*, Council resolves as follows:

1. To acquire the lands described in the attachment for overdue rates and charges.
2. To treat confidential the report and attached documents in accordance with sections 171(3) and 200(5) of the *Local Government Act 2009* and that the documents remain confidential unless Council decides otherwise by resolution.

Option Two

Council resolves not to acquire the land. The rates and charges will continue to be levied and remain unpaid.

OFFICER'S RECOMMENDATION

That, pursuant to Chapter 4, Part 12, Division 3, Subdivision 3 of the *Local Government Regulation 2012*, Council resolves as follows:

1. To acquire the lands described in the attachment for overdue rates and charges.
2. To treat confidential the report and attached documents in accordance with sections 171(3) and 200(5) of the *Local Government Act 2009* and that the documents remain confidential unless Council decides otherwise by resolution.

Schedule 64

PROPERTY	OWNERS	ADDRESS	DESCRIPTION	PROPERTY USE	BALANCE
					\$3,898.41
					\$29,053.60
					\$3,864.20
					\$3,705.13
					\$2,255.72
					\$2,381.40
					\$2,088.91
					\$2,088.91
					\$3,609.61
					\$2,088.91
					\$2,255.72
					\$2,088.91
					\$2,427.58
					\$1,927.31
					\$2,255.72
					\$2,090.46
					\$4,069.28
					\$2,604.19
					\$2,255.72
					\$2,276.63
					\$2,348.34
					\$81,634.66

Schedule of Valueless land for Resolution

Property Number	Property Purchased	Last Payment Received	Comments	Valuation
	15/04/1982	4/04/2017	Collection activity exhausted with no response received to Council requests for payment.	\$500.00
	22/02/2002	10/11/2009	Collection activity exhausted with no payment received since 2009. The site value significantly reduced in July 2019 resulting in the arrears balance to exceed the value.	\$10,000.00
	25/01/1968	9/02/2015	Executors of the estate are waiting for valueless land acquisition as they were unable to voluntary transfer without the original certificate of title.	\$500.00
	26/07/2005	5/02/2016	Owners originally requested a voluntary transfer but have not provided the requested documentation.	\$500.00
	23/08/1985	11/11/2015	Owners waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	9/08/1974	25/02/2016	Deceased estate waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	12/06/1970	28/01/2016	Owners waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	28/02/1990	19/01/2016	Deregistered Company where ASIC is waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	8/02/1995	8/05/2015	Owner is waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	3/04/1995	20/02/2016	Collection activity exhausted with no response received to Council requests for payment.	\$500.00
	6/12/1990	11/11/2015	Owners waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	20/10/1969	28/01/2016	Owners waiting for valueless land acquisition due to the conservation rating and low value	\$500.00
	21/07/2008	12/08/2015	Deceased estate waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	22/11/2016	No Payments	Owners waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	10/12/1990	9/11/2015	Owners waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	3/05/1984	1/02/2016	Collection activity exhausted with no response received to Council requests for payment.	\$500.00
	15/06/1994	29/10/2018	Owner is waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	22/07/1986	8/05/2015	Deceased estate waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	18/10/1988	19/10/2015	Owners waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	8/08/1990	1/04/2016	Owners waiting for valueless land acquisition due to the conservation rating and low value.	\$500.00
	3/04/1969	No Payments	Deregistered Company where ASIC is waiting for valueless land acquisition as the land is unzoned and low value.	\$500.00