

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: Hayley Janes, Supervisor Accounts Receivable
Noela Barton, Service Manager Financial Operations

Attachments: 1. Schedule for Valueless Land Resolution
2. Schedule October 2020

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 2020* for overdue rates and charges.

BACKGROUND

Rate Notices are issued on a quarterly cycle to the owners of the parcels of land identified in the attached *Schedule October 2020*. Rates and charges 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 2020* 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 land parcels have a site value of \$500.
- The outstanding rates are greater than the site value.
- 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* (Regulation).

Under the Regulation property owners must be 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 2020*.

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.
- Some of the overdue rates or charges have been overdue for at least three years.
- 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.
- 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 11 properties in attached *Schedule October 2020* total \$25,419.22.

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 immediate maintenance	
Cost of on-going maintenance	\$

People

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

Human Rights

Nil impact expected as the purpose of the report is to submit to Council a list of properties for resolution to acquire 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	3 Aug 2020	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
General Counsel	3 Aug 2020	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Service Manager Financial Operations	3 Aug 2020	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Group Manager Environment & Regulatory, Community and Customer Services	3 Aug 2020	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Service Manager Compliance, Community and Customer Services	3 Aug 2020	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Senior Property Officer, Community and Customer Services	3 Aug 2020	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Service Manager Development Control, Community and Customer Services	3 Aug 2020	Email advising properties listed for consideration to acquire and to contact Accounts Receivable with any concerns.
Senior Conservation Officer, Infrastructure & Operations	17 Sept 2020	Emailed received advising budget for listed properties not accounted for in 20/21. Request for maintenance to be included in future budgets.

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, subject to maintaining the confidentiality of legally privileged, private and commercial in-confidence information.

Option Two

That Council resolves as follows:

1. To not to acquire the land. The rates and charges will continue to be levied and remain unpaid.
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, subject to maintaining the confidentiality of legally privileged, private and commercial in-confidence information.

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 for Valueless Land Resolution

Property No.	Property Purchased	Last Payment Received	Comments	Valuations
	16/10/1975	1/10/2018	Owner is deceased and Power of Attorney is waiting for Valueless Land Acquisition due to the zoning and low value.	\$ 500.00
	25/07/1974	20/06/2017	Owner is waiting for Valueless Land Acquisition due to the zoning and low value.	\$ 500.00
	6/08/2014	14/10/2016	Collection activity exhausted with no response received to Council requests for payment.	\$ 500.00
	4/03/1992	10/05/2017	Collection activity exhausted with no response received to Council requests for payment.	\$ 500.00
	23/03/1984	21/06/2016	Collection activity exhausted with no response received to Council requests for payment.	\$ 500.00
	22/03/1989	7/11/2016	Voluntary Transfer never completed from 2017 continued collection exhausted with no response received to council's request for payment.	\$ 500.00
	17/12/1974	8/02/2017	Deceased estate waiting for Valueless Land Acquisition due to the zoning and low value.	\$ 500.00
	23/08/1974	31/01/2017	One owner is deceased second owner is waiting for Valueless Land Acquisition due to the zoning and low value.	\$ 500.00
	4/01/2007	15/08/2017	Collection activity exhausted with no response received to Council requests for payment.	\$ 500.00
	12/07/1991	2/05/2017	Owner is waiting for Valueless Land Acquisition due to the zoning and low value.	\$ 500.00
	4/10/2007	20/09/2017	Owner was declared bankrupt in 2016 collection activity exhausted with no response received to Council requests for payment.	\$ 500.00

Schedule October 2020

PROPERTY	OWNERS	PROPERTY ADDRESS	DESCRIPTION	PROPERTY USE	BALANCE
				Vacant Land	\$2,748.79
				Vacant Land	\$2,123.66
				Vacant Land	\$2,461.58
				Vacant Land	\$2,123.75
				Vacant Land	\$2,795.21
				Vacant Land	\$2,550.43
				Vacant Land	\$2,290.33
				Vacant Land	\$2,290.33
				Vacant Land	\$1,960.16
				Vacant Land	\$2,123.66
				Vacant Land	\$1,951.32
					\$25,419.22