
ACQUISITION OF VALUELESS LAND FOR OVERDUE RATES AND CHARGES

Objective Reference: A159454
Reports and Attachments (Archives)

Attachment: [Valueless Land for Overdue Rates and Charges](#)

Authorising  **Officer:**

Bill Lyon
Chief Executive Officer

Responsible Officer: Linnet Batz
Chief Financial Officer

Report Author: Kristene Viller
Account Resolution Officer

PURPOSE

To request Council resolve to acquire the land identified in the attached 'Schedule 61' 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 61'. 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 the attached 'Schedule 61' 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 the site values and zoning of the land.
 - All properties are on SMBI with the exception of one which is a historical correction.
 - 23 of 26 parcels of land are zoned conservation with a sub-zone of CN1 or CN2. As per Council Resolution 26 October 2005 this land is not considered acceptable for sale of land for overdue rates and charges but is acceptable for acquisition as valueless land.
 - The remaining 3 parcels are zoned SMBI Residential. The Strategic Planning Group have identified
 - 7 Poinsettie Court, Russell Island as land that should be in public ownership to assist the consolidation of land for conservation purposes,
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- assist with management of stormwater and to reduce infrastructure provision costs. The owner has been offered a land exchange on 3 occasions but has not taken up this option.
- 37 Grove Road, Russell Island as land that should be in public ownership to assist the consolidation of land for conservation purposes and assist with bushfire management. The owner has been offered a land exchange on 3 occasions but has not taken up this option.
 - 33 Piccaninny Street, Macleay Island as land protected by the SMBI Development Entitlements Protection Act 2004. Protection ceases in March 2016. Council has offered a land exchange previously and will again be writing to owners of land protected under this Act to offer a land exchange again prior to the expiry.
 - 25 properties have a site value less than the outstanding rates, 24 of which have a site value of \$500. 1 property has a site value greater than the outstanding rates however this acquisition is required to correct a historical error.
 - All properties meet the criteria stated for the acquisition of land for overdue rates and charges state in Chapter 4, Part 12, Subdivision 3, Section 148 of the *Local Government Regulation 2012*.

A brief summary of each property identified in the attached Schedule 61 follows:

Property Number	Comments
13738	No returned mail. Property Purchased in 1982. Payment ceased August 2010. One owner sought information on Voluntary Transfer of land in July 2011. Second owner did not want to proceed.
14099	No returned mail. Property purchased in 1973. Payments ceased November 2010.
14119	No returned mail. Property purchased in 1974. Payments ceased May 2011. Owner investigated voluntary transfer in July 2011. Unable to provide title deed to continue. Advised will wait for acquisition by Council.
15357	Returned Mail. Property Purchased in 1991. Payments ceased December 2011. Company deregistered. Mail redirected to ASIC March 2015.
15912	No Returned mail prior to February 2015. Payments ceased July 2010.
18849	No returned mail. Property purchased in 1974. Payments ceased October 2010.
19944	Returned mail. Property purchased in 1995. Payments ceased January 2010.
23209	Returned mail. Property purchased in 1992. Payments ceased September 2004. Land Exchange has been offered on 3 separate occasions. Acquisition of property will assist with the consolidation of land for conservation purposes, assist with management of stormwater and reduce infrastructure provision costs.

Property Number	Comments
24015	Returned mail. Property purchased in 1995. Payments ceased December 2001. SMBI Residential zoning however if sold the purchase price unlikely to reach the amount of rates outstanding.
25232	No returned mail. Property purchased in 1981. Payments ceased May 2011. Mail redirected to Public Trustee in December 2014.
25401	No returned mail. Property purchased in 1992. Payments ceased December 2011. Owner had queried Voluntary Transfer unable to proceed as no title can be provided.
26115	No returned mail. Property purchased in 1986. Payments ceased October 2010.
26309	No returned mail. Property purchased in 1996. Payments ceased August 2010.
26338	Returned mail. Property purchased in 2009. Payments ceased March 2011.
35609	Returned mail. Property purchased in 2008. Payments ceased July 2010.
35722	Returned mail. Property purchased in 2004. Payments ceased August 2010.
35949	Returned mail. Property purchased in 1982. Payments ceased October 2009. Unapproved dilapidated dwelling on site which would need to be demolished.
37866	No returned mail. Property purchased in 1983. Payments ceased June 2010.
38470	No returned mail. Property purchased in 1983. Payments ceased March 2011.
40083	No returned mail. Property purchased in 1985. Payments ceased September 2011. Owner investigated Voluntary Transfer however was not able to produce title.
44522	No returned mail. Property purchased in 1988. Payments ceased May 2012.
45669	No returned mail. Property purchased in 1988. Payments ceased August 2011.
45673	No returned mail. Property purchased in 1988. Payments ceased August 2011.
45675	No returned mail. Property purchased in 1988. Payments ceased April 2011.
47639	Returned mail. Property purchased in 1990. Payments ceased May 2002. Land Exchange and purchase offer not responded to.
47184	No Returned mail. Property purchased in 1995. Payments ceased November 2011. Customer requested Voluntary Transfer but unable to provide title information.
317410	Mail addressed to RCC. RCC submitted transfer papers in the 1930's however these were requisitioned and the Council of the day failed to rectify the documentation and the land was not processed into Council ownership. In 1974 changes to the Land Titles Act allowed DERM to reject any previously requisitioned transfers and therefore these lots remained in the ownership of Phillip Nott (deceased). In 2009 Council was made aware of this when a request

Property Number	Comments
	to close part of the Street was rejected as they needed the approval of the owner of Lots 416 and 417 – Phillip Nott. Lot 416 is below the high water mark and Lot 417 is inundated by tidal surge.

STRATEGIC IMPLICATIONS

Legislative Requirements

Section 148, Subdivision 3 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:

1. The liability to pay the overdue rates or charges is not the subject of court proceedings; and
2. Some of the overdue rates or charges have been overdue for at least 3 years; and
3. 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
4. Either of the following applies –
 - a. The total 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 risks were identified and evaluated and mitigations put in place.

Risk	Mitigation
Legal Challenge by owner	Ensuring all parcels meet the criteria for Valueless land acquisition outlined in Section 148, Subdivision 3 of the <i>Local Government Regulation 2012</i> .
Financial cost to Council	The ongoing cost to Council to maintain the land parcels once ownership is transferred has been estimated and outlined.
Consistency with Planning Scheme	The City Planning and Assessment Group were consulted and it is considered that the outcome of 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)	\$5,500.00
Cost to transfer ownership of the land to Council	\$5,036.20
Cost of Demolishing unapproved dwelling	\$10,000.00
Sub Total	\$20,536.20
Estimated Annual Costs	
Cost of on-going annual maintenance	\$5,500.00
Total	\$26,036.20

It is anticipated that these costs can be met within existing budget allocations. If this proves not to be the case they will be considered in the 2015/16 Budget review.

People

No People implications identified

Environmental

The City Planning and Assessment Group were consulted and they identified a number of properties that should be in public ownership to assist with the consolidation of land for conservation purposes, to assist with the management of stormwater, bushfire management and to reduce infrastructure provision costs.

Social

No social implications identified

Alignment with Council's Policy and Plans

Relationship to Corporate Plan

9. An efficient and effective organisation

Council is well respected and seen as an excellent organisation which manages resources in an efficient and effective way.

9.5 Ensure robust long term financial planning is in place to protect the financial sustainability of Council.

CONSULTATION

- City Planning and Assessment
- Property Services

OPTIONS

1. The Council resolve to acquire the land identified in the attached 'Schedule 61' under 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. Council can choose to not acquire the land. The rates and charges would continue to be levied and remain unpaid. This option is not recommended as it doesn't demonstrate robust long term financial planning to protect Councils financial sustainability.

OFFICER'S RECOMMENDATION

The Council resolves as follows:

1. To acquire the land identified in the attached 'Schedule 61' under Subdivision 3 of the *Local Government Regulation 2012* for overdue rates and charges; and
2. That following approval each owner will be issued a Notice of Intention to Acquire Land, they have 6 months from that date to pay the overdue rates and charges in full. If the charges are not paid in full Council will submit transfer documentation to the Registrar of Titles to record the Council as the registered owner of the land.

REDLAND CITY COUNCIL
Valueless Land Action
Schedule 61

Property No.	Description of Land & Location	Proprietor Address on Council Records	Zoning	Area M2	U.C.V. \$	Years Overdue	Total \$
13738			CN1	546.3	\$500	4 Years 10 Mths	\$1984.69
14099			CN1	602	\$500	4 Years 1 month	\$1746.47
14119			CN1	518.4	500	3 years 7 months	1,536.62
15357			CN1	647.50	500	3 years 4 months	1,354.25
15912			CN1	1,012	500	4 years 10 months	2,037.47
18849			CN1	543.70	500	4 years 1 month	1,698.35

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Property No.	Description of Land & Location	Proprietor Address on Council Records	Zoning	Area M2	U.C.V. \$	Years Overdue	Total \$
19944			CN1	546.30	500	5 years 1 month	2,021.70
24015			SR	513.40	18,000	13 years 7 months	27,503.11
25232			CN1	Lot399= 601.97 Lot400= 639.91 Lot401= 553.91	500	3 years 7 months	2,913.22
25401			CN1	Lot8= 612.09 Lot9= 612.09	500	3 years 7 months	7,120.84
26115			CN1	505.90	500	4 years 1 month	1,698.31
26309			CN1	728.40	500	4 years 4 months	1,803.29

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Valueless Land Action
Schedule 61

Property No.	Description of Land & Location	Proprietor Address on Council Records	Zoning	Area M2	U.C.V. \$	Years Overdue	Total \$
26338			CN1	545.90	500	4 years 1 month	1,597.27
35609			CN1	546.00	500	4 years 4 months	2,898.30
35722			CN1	506.00	500	4 years 10 months	1,923.08
35949			CN1	Lot156= 607.03 Lot157= 607.03	40,500	23 years 7 months	51,836.45
37866			CN1	749.00	500	4 years 1 month	3,944.75
38470			CN1	584.00	500	3 years 10 months	1,596.12

REDLAND CITY COUNCIL
Valueless Land Action
Schedule 61

Property No.	Description of Land & Location	Proprietor Address on Council Records	Zoning	Area M2	U.C.V. \$	Years Overdue	Total \$
40083			CN1	574.00	500	3 years 7 months	1,393.33
44522			CN1	516.00	500	4 years 4 months	1,774.64
45669			CN1	546.00	500	3 years 7 months	1,392.20
45673			CN1	Lot425= 511 Lot426= 511	500	3 years 7 months	2,041.07
45675			CN1	536.00	500	3 years 10 months	1,497.27
47184			CN1	546.00	500	3 years 3 months	1,313.34
317410			CN2	Lot416= 2023.43 Lot417=	30,000	9 years 7 months	5,747.39

REDLAND CITY COUNCIL
Valueless Land Action
Schedule 61

Property No.	Description of Land & Location	Proprietor Address on Council Records	Zoning	Area M2	U.C.V. \$	Years Overdue	Total \$
				4046.86			
47639			SR	546.00	15,000	13 years 7 months	25,835.83
23209			SR	581.70	15,000	9 years 10 months	18,019.34