

Doc ID No: A5861140

ITEM: 9

SUBJECT: SALE OF LAND FOR OVERDUE RATES AND CHARGES GC 121119

AUTHOR: TREASURY ACCOUNTING MANAGER

DATE: 23 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report by the Treasury Accounting Manager dated 23 October 2019 concerning properties that are eligible for Sale of Land for overdue rates and charges under Chapter 4 – Rates and Charges, Part 12 – Overdue Rates and Charges, Section 140 of *the Local Government Regulation 2012*.

As part of the ongoing property rates arrears recovery activities, properties have been identified as being eligible for sale of land for overdue rates and charges. The total overdue rates and charges associated with these properties is currently \$81,165.

All attempts to resolve this matter for these properties has been unsuccessful to date.

RECOMMENDATIONS

That the Interim Administrator of Ipswich City Council resolve:

- A. **That it is satisfied that:**
- i) **There are overdue rates or charges on the properties at:**
 - a. **11 Belleglade Avenue, BUNDAMBA QLD 4304; and**
 - b. **142 Equestrian Drive, YAMANTO QLD 4305; and**
 - c. **8 McLeod Street, BASIN POCKET QLD 4305; and**
 - d. **2/45 Blaxland Crescent, REDBANK PLAINS QLD 4301; and**
 - e. **18 Whitehill Road, NEWTOWN QLD 4305; and**
 - f. **12 Marcel Street, EAST IPSWICH QLD 4305; and**
 - g. **38 Toongarra Road, LEICHHARDT QLD 4305; and**
 - h. **156 Old Ipswich Road, RIVERVIEW QLD 4303; and**
 - i. **19 Highbury Drive, REDBANK PLAINS QLD 4301; and**
 - j. **39-41 Duncan Street, CHUWAR QLD 4306; and**
 - ii) **The liability to pay rates or charges is not subject of court proceedings; and**
 - iii) **Some or all of the overdue rates or charges have been overdue for at least 3 years.**

- B. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 11 Belleglade Avenue, BUNDAMBA QLD 4304 (more properly described as Lot 102 on Registered Plan 98668) in accordance with the *Local Government Regulation 2012*, as some or all of the overdue rates or charges have been overdue for at least 3 years.
- C. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 142 Equestrian Drive, YAMANTO QLD 4305 (more properly described, as Lot 178 Registered Plan 852417) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.
- D. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 8 McLeod Street, BASIN POCKET QLD 4305 (more properly described, as Lot 29 Registered Plan 126794) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.
- E. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 2/45 Blaxland Crescent, REDBANK PLAINS QLD 4301 (more properly described, as Lot 2 Survey Plan 198183) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.
- F. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 18 Whitehill Road, NEWTOWN QLD 4305 (more properly described, as Lot 18 Registered Plan 24208) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.
- G. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 12 Marcel Street, EAST IPSWICH QLD 4305 (more properly described, as Lot 14 Registered Plan 80179 to depth 30.48m) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.
- H. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 38 Toongarra Road, LEICHHARDT QLD 4305 (more properly described, as Lot 2 Registered Plan 85285) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.
- I. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 156 Old Ipswich Road, RIVERVIEW QLD 4303 (more properly described, as Lot 2 Registered Plan 813070) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.

- J. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at, 19 Highbury Drive, REDBANK PLAINS QLD 4301 (more properly described, as Lot 33 Registered Plan 198885) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.
- K. That pursuant to section 140(2) of the *Local Government Regulation 2012*, to sell the property at 39-41 Duncan Street, CHUWAR (more properly described, as Lot 85 Registered Plan 133612) in accordance with the *Local Government Regulation 2012* as some or all of the overdue rates or charges have been overdue for at least 3 years.

RELATED PARTIES

For the purposes of related party disclosures the Interim Administrator and Senior Managers should consider the properties listed in Recommendation A.

ADVANCE IPSWICH THEME

Listening, leading and financial management

PURPOSE OF REPORT/BACKGROUND

- Under Part 12 – Overdue Rates and Charges, Division 3 – Selling or acquiring land for overdue rates and charges, of the *Local Government Regulation 2012*, the properties may now be sold by auction for the recovery of overdue rates and charges in terms of section 140(1)(c)(i).
- Recovery action has been implemented in accordance with Council's Rate Recovery Policy (reminder letters, contact letters, and telephone contact where able). Legal action has been taken where deemed appropriate.
- During the past quarter, several properties owned by pensioners are now such that the overdue of rates and charges have become greater than 3 years. This report does not include any such pensioner owned eligible properties. A review of the Rates Recovery Policy is currently being undertaken and any properties owned by pensioners with greater than 3 years of overdue rates and charges, will be considered following the completion of that policy review.

When Council resolves to sell land for overdue rates and charges the land owners are notified of such action by a 'notice of intention to sell' signed by the Chief Executive Officer. If the rates and charges remain outstanding 3 months after such notice was sent to the land owner, the Council is able to commence sale of the land.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009
Local Government Regulation 2012
Rates Recovery Policy

RISK MANAGEMENT IMPLICATIONS

If the land is not sold at auction, or to the highest bidder by agreement after negotiation, the land is taken to have been sold to Council at the auction at the reserve price (section 143(4) of the *Local Government Regulation 2012*).

Council recognises that the sale of land for overdue rates and charges is an undesirable but at times a necessary process associated with its rating powers under the *Local Government Act 2009*.

The resolutions of this report could ultimately lead to the sale of properties, if all overdue rates and charges as well as expenses are not paid prior to the sale. This represents a potential reputational risk for Council where the possible displacement of a property owner may be perceived as an unjust outcome.

In recent years it has been Council's experience that where a property is the subject of a current mortgage, the mortgage holder will generally take steps to pay the overdue rate and charges to avoid the property being sold. Noting that 8 of 10 properties recommended for sale in this report are the subject of a mortgage.

FINANCIAL/RESOURCE IMPLICATIONS

There are no significant financial implications as a result of this report. Activities related to the sale of properties for overdue of rates and charges form part of the business as usual activities of the Finance Branch. In the event that a property is sold for the recovery of overdue of rates and charges, Council is able to recover its costs of the sale process and the outstanding rates and charges.

As outlined in the risks, if the land is not sold at auction or after, Council is taken to have been sold the land which would have financial outlays to Council.

COMMUNITY AND OTHER CONSULTATION

No community consultation has been undertaken in relation to this report as these matters are of statutory nature under the *Local Government Regulation 2012*.

CONCLUSION

Under the *Local Government Act 2009*, Council is empowered with the responsibility to levy and collect rates to fund the cost of providing services to the City. The onus is on the registered owner of a property to ensure rates are paid.

As all previous efforts to resolve the matter of outstanding rates on properties referred to in the Confidential Background Papers (**Attachments 1 and 2**) have been unsuccessful, the sale of land process will ensure rates owing to Council are paid.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	CONFIDENTIAL Background Information
2.	Details of Rates

Paul Mollenhauer

TREASURY ACCOUNTING MANAGER

I concur with the recommendations contained in this report.

Jeffrey Keech

ACTING GENERAL MANAGER - CORPORATE SERVICES

I concur with the recommendations contained in this report.

Andrew Knight

GENERAL MANAGER - CORPORATE SERVICES

“Together, we proudly enhance the quality of life for our community”