



REGIONAL COUNCIL

SPECIAL MEETING OF COUNCIL

MINUTES

28 AUGUST 2015



**SPECIAL MEETING OF
COUNCIL MINUTES
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ATTENDANCE:

Councillors Present

- Cr Steve Jones (Mayor) (Chairperson)
- Cr Tanya Milligan
- Cr Peter Friend
- Cr Derek Pingel
- Cr Janice Holstein

Officers Present

- Ian Flint, Chief Executive Officer
- Jason Bradshaw, Executive Manager Governance Engagement & Regional Development
- Dan McPherson, Executive Manager Organisational Development & Planning
- Jason Cubit, Executive Liaison Officer Mayor/CEO
- Rick Machin, Marketing & Communications Coordinator
- Stephen Hart, Manager Administration & Executive Operations
- Susan Boland, Council Business Support Officer

Apology

- Cr Jim McDonald
- Cr Kathy McLean
- David Lewis, Executive Manager Corporate & Community Services
- Myles Fairbairn, Executive Manager Infrastructure Works & Services



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4.0 MAYORAL MINUTE

4.1 Mayoral Minute

Date: 28 August 2015
Author: Jason Cubit, Executive Liaison Officer Mayor/CEO
Responsible Officer: Ian Flint, Chief Executive Officer

It was RESOLVED that Council acknowledge the tragic circumstances which have unfolded over the last few days relating to Jayde Kendall. Council sends its deepest condolences to the Kendall family and friends at this time and will abide with the family's request for privacy. Council also wishes to acknowledge the strong support given by Lockyer District High School and McDonalds Restaurant during this time.

5.0 CORPORATE AND COMMUNITY SERVICES REPORTS

5.1 Rating Category Changes for the 2015/2016 Budget

Date: 27 August 2015
Author: David Lewis, Executive Manager Corporate & Community Services;
Jason Bradshaw, Executive Manager Governance Engagement &
Regional Development
Responsible Officer: Ian Flint, Chief Executive Officer

Summary:

Following the issue of the half yearly rates notices for 1 July to 31 December 2015, objections to Council's Differential Rating Category 35 Non-Principal Place of Residence have been received by the Mayor from a number of ratepayers requesting that Council review the category under which their properties were rated. A small number of objections have also been received by Council.

Officer's Recommendation:

THAT Council resolves to grant a general rates concession pursuant to s120(1)(f) of the Local Government Regulation 2012 of 20% to a class of ratepayers of land within Category 35 Non-Principal Place of Residence where the land is the land is used exclusively for the purposes of a single dwelling (or farming) and is classed as rural and does not attract a primary production concession and is a large home site and could be used potentially for rural purposes. This concession only relates to land categorised in this differential rating category and relates for the 2015/16 financial year.

Further;

THAT Council authorise the Chief Executive Officer to categorise land from Category 35 Non-Principal Place of Residence to either Category 16 or 24 where he is satisfied that the property is owned by a company or trust and the owners of the company or trust are the sole occupiers of the land as their principal place of residence.

And further;

THAT a report be brought back to Council on formal objections to property



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classifications under the rating categories of Council's 2015/2016 Revenue Statement. And further;
THAT Council investigate these 'rural properties' being treated as 'rural' with primary production concession through the introduction of a separate rating category for these properties identified within this class for the 2016/17 Budget.

RESOLUTION

THAT Council authorise the Chief Executive Officer to re-categorise land from Category 35 Non-Principal Place of Residence to either Category 16 or 24 where he is satisfied that the property is owned by a Company or Trust and the owners of the Company or Trust are the sole occupiers of the land as their principal place of residence.

Further;

THAT Council authorise the Chief Executive Officer to re-categorise land from Category 35 Non-Principal Place of Residence to Category 16 where he is satisfied that the land is used for the purposes of a large home site and is classed as rural and does not attract a primary production concession.

And further;

THAT Council resolves to grant a concession to classes of ratepayers of land within Category 35 Non-Principal Place of Residence where the land is has been so re-categorised to ensure no financial disadvantage due to this change. This concession only relates to land so re-categorised and is effective from the 1st July 2015.

And further;

THAT if any payment that was found incorrect then the additions monies be refund required due to cheque or EFT rather than by credit.

And further;

THAT at the completion of the current discount period, a further report be brought back to Council on the formal objections to property classifications under the rating categories of Council's 2015/2016 Revenue Statement.

And further;

THAT Council instigate a new 'rural properties' being treated as 'rural' through the introduction of a separate rating category for these properties for the 2016/17 Budget.

Moved By: Cr Pingel

Seconded By: Cr Friend

Resolution Number: 4230

CARRIED

5/0



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Following a number of businesses contacting the Mayor's office, it was appropriate to discuss further advise being sent to the business owners, clarifying the rating of commercial properties.

RESOLUTION

THAT Council forward correspondence to all commercial tenants in the region advising of the relevant rate increases applicable to commercial properties.

And further;

THAT where possible in the Gatton, Laidley and other towns CBD areas that the letter be hand delivered.

Moved By: Cr Jones

Seconded By: Cr Milligan

Resolution Number: 4231

CARRIED

5/0

Report

1. Introduction

Ratepayers are able to object to their rating category under Section 88 of the *Local Government Regulation 2012* (the Regulation). Council is obliged to review their objection and if the objection is upheld, categorise the property to the new category and adjust the rates charged based on the new category. Each year Council receives objections from ratepayers to their category, although the number of objections will vary from year to year.

In certain circumstances under the Regulation, Council may also offer concessions to ratepayers. The opportunity to reclassify properties into other rate categories is also provided in the legislation and is generally dealt with on an individual property basis.

2. Background

Council's rating categories use land use codes provided by the Department of Natural Resources and Mines (DNRM). From time to time, although the land use may have changed, there may be a delay in updating the land use code which means that some ratepayers may be included in an incorrect category. Where this has occurred, the Chief Executive Officer has the administrative delegation to make changes to the category without a Council resolution.

Council also periodically introduces new rating categories and as part of this exercise, allows impacted ratepayers to object to the new rating category of individual property(s). In this process, the Chief Executive Officer can reject the objection, grant a concession or categorise the property in question to a more appropriate rating category. This is traditionally limited but can be addressed across a class of properties.

3. Report



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Following the issue of the half yearly rates notices for 1 July to 31 December 2015, objections to Council's Differential Rating Category 35 Non-Principal Place of Residence have been received by the Mayor from a number of ratepayers requesting that Council review the category that their properties were rated under.

The newly created differential rating Category 35 as it applies to "rural" land has hit obstacles in the detail of its implementation in that a number of properties have been impacted by the new category that were not intended to be so categorised. It is considered that these properties should have a concession applied as the land is used exclusively for the purpose of a single dwelling house but could be used for rural or other alternative purposes. It is intended that these properties could be identified in a separate rating category in Council's 2016/2017 Revenue Statement and Budget.

It is proposed to manage the implementation concerns through the granting of a concession to a class of ratepayers/properties, rather re-categorising those properties back to an existing rating category. The establishment of new rural based category would better deal with these properties.

Council is also of the view that the intent of its newly created Differential Rating Category 35 as it applies to "company owner occupiers" has also encountered issues in implementation and that where the owners of a company or trust that own the land are also the sole occupiers of the land as their principal place of residence, then these properties should be categorised as either Urban Residential – Owner Occupied or Rural Residential – Owner Occupied.

Where properties have been categorised and the rates notice has been paid in full, if the categorisation results in a credit to the rates accounts, these ratepayers will be offered a full refund on the credit balance via electronic transfer. Further, that where properties have been incorrectly categorised these properties will be issued with amended rate notices and provided additional time to pay that includes the 30 day payment term from the date of the issue of the amended notice.

4. Policy and Legal Implications

Under Council's 2015/2016 Revenue Statement, for land used for residential purposes, the land is categorised as either urban or rural residential and then either as a principal place of residence or non-principal place of residence under Section 120 (f) of the Regulation, Council may grant a concession if it is satisfied that "*the land is used exclusively for the purpose of a single dwelling house or farming and could be used for another purpose, including for example, a commercial or industrial purpose.*"

Under Section 122 of the Regulation, in granting a concession to a ratepayer, Council must state the ratepayer in the resolution (Section 122 (1) (a)) and must prescribe the accepted way for the concession application (Section 122 (3)).

Council cannot amend the Revenue Statement or the Budget for the purpose of amending rates and charges, and there is no direction in Council's Revenue Policy, so the Local Government Regulation 2012 provides the basis for the concessions and the processes to be followed to enable the original intention of the new rate category to be achieved.

5. Financial and Resource Implications



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The abovementioned concessions and categorisation will result in a reduction in rating revenue of approximately \$100,000 to \$150,000 or up to approximately 0.6 of 1% of Council's 2015/2016 budgeted general rates revenue. The impact of this loss of revenue will be incorporated into the next review of Council 2015/2016 Budget. There are approximately 300 properties that are impacted by this proposed change.

6. Delegations/Authorisations

No further delegations are required to manage the issues raised in this report. The Chief Executive Officers will manage the requirements in line with existing delegations. The re-categorisations can be managed through existing delegations made to the Chief Executive Officer and the Council can empower the CEO with further delegation to manage the concessions in accordance with the decisions made in the report to grant concessions to a class of ratepayer/property.

7. Communication and Engagement

The owners of properties to receive the proposed concession will be contacted by Council either in writing or verbally to advise of Council's intention to grant them a concession and also to confirm any process for this concession. It is intended that the concession will be granted and the administrative process minimised in relation to the processing of the concession. The existing administrative process will continue to run for all current notices not covered by the impacts of these proposed amendments.

Contact will also be made with Category 35 "company owner occupiers" where the owners of a Company or Trust that own the land are also the sole occupiers of the land as their principal place of residence to confirm their residency so that the properties can be categorised as either Urban Residential – Owner Occupied or Rural Residential –Owner Occupied.

8. Conclusion

To address the unintended consequences of introducing a new rating category in Council's 2015/2016 Revenue Statement on a number of properties within Council's rural planning zones, it is proposed that Council grant a concession to identified impacted properties to remove these from the existing differential rating category 35. The Chief Executive Officer should also be endorsed to exercise discretion on categorising a number of properties where the owners of the land are also the sole occupiers of the land as their principal place of residence.

9. Action/s

The owners of the identified rural properties proposed to receive a concession would be contacted to advise of Council's intention to grant them a concession also outlining the process for this concession, and the changes to the rates and charges that are payable, including the extended payment period.

Council will also contact the differential rating Category 35 "company owner occupiers" where the owners of a Company or Trust that own the land are also the sole occupiers of the land as their principal place of residence and confirm the process so that these properties can be categorised as either Urban Residential – Owner Occupied or Rural Residential – Non-Owner Occupied.



<p style="text-align: center;">EXTRAORDINARY MEETING OF ORDINARY COUNCIL MEETING MINUTES 28 AUGUST 2015</p>
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The Chief Executive Officer expressed regret that there had been an inadequate review of the rates implementation prior to release of the rates notices, and apologised to Council for the confusion that has arisen within the community.

Prior to closing the meeting, Cr Pingel wished the Chief Executive Officer good health and recovery during his pending leave.

6.0 MEETING CLOSED

There being no further business the meeting, the meeting closed at 1.42 pm.