



KEMPSEY
Shire Council

DIRECTOR CORPORATE SERVICES REPORT

9th May 2006

DCS8	CONSERVATION AGREEMENTS: IMPACT ON RATING AND ABANDONMENT OF RATES
	FILE: 562 WMS

SUMMARY:

Reporting on the rateable status, and resulting abandonment of rates, on land subject to Conservation Agreements between land owners and the National Parks and Wildlife Service.



Section 555(1) (b1) of the Local Government Act 1993 (the ACT) provides for land that is subject to a conservation agreement under the National Parks and Wildlife Act 1974), to be exempt from all rates.

Section 555(3) provides for rates being made and levied proportionately on the part of the land not subject to the conservation agreement. Therefore if 50% of a parcel of land is subject to the conservation agreement the portion subject to rates will be 50% of the rates calculated on the whole of the parcel, irrespective of whether this equates to less than the minimum or base amount of rate. The full amount of the rate is levied each year and the pro rata amount is written off and abandoned.

Two conservation agreements, both dated 2 November 2005, have been forwarded to Council for properties at Yarravel and Palmerston:

- Lot 1 DP 260182 Parish Yarravel, County Dudley. Area of conservation agreement is 27.73 hectares; area of lot 1 is 39.97 hectares.
- Lot 2 DP 259465 Parish Palmerston, County Macquarie. Area of conservation agreement is 22.8 hectares; area of lot 2 is 22.92 hectares.

As a result of these conservation agreements, lot 1 will be subject to the following rate changes. The land subject to the conservation

agreement equates to 69.38 percent of the lot, leaving 30.62% subject to rating. Current year rates of \$757.77 will be reduced to \$412.08 on a time and area pro rata basis, ie. part year concession. 2006/2007 (full year) rates using the current year figures will amount to \$232.03 proportioned on the rateable area. This lot is used for residential purposes and is subject to a pensioner concession for rates.

Lot 2 will be almost non rateable, the area subject to the conservation agreement equates to 99.48 percent of the lot, leaving just 0.52 percent rateable. Current year rates of \$3,743.70 will be reduced to \$1,294.89 on a time and area pro rata basis, ie. part year concession. 2006/2007 (full year) rates using the current year figures will amount to \$19.47 proportioned on the rateable area. Lot 2 has dwelling, but is not used on a daily basis.

The conservation agreements write off and abandonment of rates is recoverable through the annual statement of compliance.

The following amounts will have to be abandoned for the part year 2005/2006 rating year. Lot 1, rated on assessment 08428-00000000-5 \$345.69, and lot 2, rated on assessment 06555-20000000-5 \$2,448.81.

REPORT IMPLICATIONS:

- ***Environmental***

Two pockets of 'natural land' will be "preserved as an invaluable gift to all generations, ensuring our natural and cultural heritage is protected into the future". (National Parks and Wildlife)

- ***Social***

Nil

- ***Economic (Financial)***

An amount of \$2794.50 will have to be abandoned from the 2005/2006 rates. However, the equivalent amount can be recovered in 2006/2007, as part of the overall total rate yield.

- ***Policy or Statutory***

Statutory, Section 555(1) (3) of the Local Government Act 1993

- ***Director's Review***

The amount of the concession granted to landowners entering into conservation agreements is included in the

total rate base for the Shire, and accordingly is "spread across" the rate bill of all other ratepayers.

RECOMMENDATION:

1. That the 2005/2006 rates and charges totalling \$2794.50 be written off and abandoned under Section 131 (4) (b) of the Local Government (General) Regulation 2005.
2. That the existence of the conservation agreements is for the information of Council.

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G B Snape
DIRECTOR CORPORATE SERVICES