13.2 RECOMMENDATION TO SELL A PROPERTY DUE TO SUBSTANTIAL OUTSTANDING RATES

Responsible Manager:	Deep Sethi, Chief Financial Officer
Responsible Director:	Simone Wickes, Director Corporate Services

CONFIDENTIAL INFORMATION

(f) personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs.

BRIEFING CONFIDENTIAL REASON CERTIFICATE

(a) the meeting is to consider confidential information.

RECOMMENDATION

That Council authorises the Chief Executive Officer (or delegate) to take all necessary steps under Section 181 of the *Local Government Act 1989* to recover [redacted] in outstanding rates and charges, including the sale of the land at 1 Valley Street, Oakleigh South.

INTRODUCTION

This report seeks Council approval to commence action under Section 181 of the Local Government Act 1989 to recover long-outstanding rates and charges on the property located at 1 Valley Street, Oakleigh South.

Despite ongoing recovery efforts over an extended period, the debt has significantly increased and remains unpaid, with no engagement from the property owner. Given the age of the debt and the absence of any repayment arrangement, this matter has now reached the point where enforcement through sale of the land is considered necessary and appropriate.

COUNCIL PLAN STRATEGIC OBJECTIVES

A council with good governance, strong leadership and community involvement in decision making
A Council that provides governance and leadership for the benefit of our community through community engagement, advocacy, decision making and action.

BACKGROUND

The property at 1 Valley Street, Oakleigh South is classified as a Factory (non-residential land use).

Council rates and charges for the property have been in arrears since the 2018/19 financial year, with no current payment arrangement in place. The outstanding balance is approximately [redacted] and continues to accrue interest and charges.

The registered owner, [redacted], was deregistered by ASIC in 2016, and there has been no meaningful engagement or response from the owner or any other party with an interest in the land for an extended period.

Over several years, the matter has been referred for various recovery actions, including:

- written correspondences,
- telephone and SMS contact attempts, and
- company and ownership investigations,

however, no payments have been received and the matter remains unresolved.

The property has an estimated value of approximately [redacted], indicating a strong equity position relative to the outstanding debt. The ratepayer has a history of non-payment, and Council previously pursued a similar course of action in 2017, when a recommendation was made to sell the property to recover the outstanding rates debt. The sale did not proceed, as the property owner subsequently paid the full outstanding balance.

DISCUSSION

Section 181 of the *Local Government Act 1989* enables Council to sell land in order to recover unpaid rates and charges where the statutory criteria are met.

In this case, those criteria are satisfied:

- Rates and charges have been outstanding for more than three years;
- There is no active payment arrangement in place; and
- All reasonable recovery actions have been undertaken without success.

The property's classification as a Factory (non-residential property) is a key consideration. The proposed action does not involve a residential dwelling and therefore does not raise the same community or social impact concerns typically associated with the forced sale of residential properties.

Despite extensive and ongoing recovery efforts over multiple years, there has been no engagement from the owner and no progress toward reducing the outstanding debt. The continued use of standard recovery methods is unlikely to produce a different outcome and will result in:

- further growth of the outstanding balance,
- continued inefficiencies and expenses in recovery efforts, and
- increased financial and governance risk to Council.

Advice from Council's current legal representatives indicates that the most appropriate course of action is to recommence legal proceedings and progress to enforcement under Section 181, including issuing the required statutory notices and proceeding toward sale of the land.

Given:

- the age and magnitude of the debt,
- the absence of any engagement from the owner,

- the deregistration of the owning entity, and
- the significant underlying value of the land,

progressing to sale is considered a reasonable, proportionate and necessary step to recover public funds owed to Council.

FINANCIAL IMPLICATIONS

The outstanding balance for the property is approximately [redacted] and continues to accrue interest and charges.

Proceeding under Section 181 will involve legal, valuation, advertising, and sale costs. However:

- All reasonable costs associated with the recovery and sale process are recoverable from the proceeds of sale; and
- Council is expected to fully recover the outstanding rates, charges, and associated costs, given the significant estimated value of the property.

Failure to act will likely result in continued growth of the outstanding debt with no realistic prospect of recovery through conventional means.

POLICY IMPLICATIONS

There are no policy implications to this report.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a ‘policy’, ‘program’ or ‘service’.

CONCLUSION

Rates and charges for 1 Valley Street, Oakleigh South have remained unpaid since the 2017/18 financial year, with no engagement from the deregistered owner and no realistic prospect of recovery through conventional means.

Given the magnitude of the debt, the prolonged inaction, and the non-residential (Factory) classification of the land, proceeding under Section 181 of the Local Government Act 1989 is considered an appropriate and proportionate course of action to recover the outstanding amount and resolve this long-standing matter.

ATTACHMENT LIST

1. Recommendation to sell a property due to substantial outstanding rates- Confidentiality Certificate [**13.2.1** - 2 pages]
2. Property Summary [**13.2.2** - 1 page]
3. Financial Summary [**13.2.3** - 1 page]
4. Transaction Summary 3 [**13.2.4** - 1 page]
5. Transaction Summary 2 [**13.2.5** - 1 page]
6. Transaction Summary 1 [**13.2.6** - 1 page]

CITY OF MONASH

CERTIFICATE

DESIGNATION OF A MATTER UNDER SECTION 66(2) OF THE LOCAL GOVERNMENT ACT 2020

That the following matter be listed for Confidential Business, and the meeting be closed to the members of the public:

Recommendation to sell a property due to substantial outstanding rates.

DESIGNATION UNDER S.66(2) OF THE LOCAL GOVERNMENT ACT 2020

f. *personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs;*

IF THE MEETING IS TO CONSIDER CONFIDENTIAL INFORMATION, WHY IS THE INFORMATION CONFIDENTIAL?

The information is confidential as it relates to ownership details of a property and the financial status of the corresponding rate assessment.

DECISION TO BE MADE (explain the type of decision which Council is considering (to the extent possible without disclosing confidential business)**:**

The decision that Council will consider is the recommendation to sell the property to recoup substantial amounts of outstanding council rates and charges.

WILL THIS ITEM BE MADE PUBLICLY AVAILABLE?

☒YES

If yes, date of release: 31/07/2026

☐NO

If NO, why it is not appropriate to release the item and decision?:

CONSIDERATIONS

1. Consideration has been given to whether part of the item could be considered in open Council and whether, in the interests of transparent decision making, it was worth splitting this part of the decision from the confidential part so it could be made in open Council.
2. Any consideration of embarrassment to, or potential adverse criticism of Council, any Councillor or any Council officer, has not been a factor in reaching the view that the item is confidential.

SIGN OFF (NOTICE OF MOTION/URGENT BUSINESS)

SUBMITTING COUNCILLOR:

SIGNATURE: ....

DATE: ..../.........../.......................

SIGN OFF (OFFICER'S REPORT)

DR ANDI DIAMOND
Chief Executive Officer

19 05 2026
DATE: ..../.........../.......................

← Assessment Summary

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Assessment

Primary Location	Location Status
1 Valley Street OAKLEIGH SOUTH VIC 3167	Current
Assessment Number	Assessment Status
184834 (0)	Current
VG Number	Tenancy Number
184834	

Names

[redacted]

Mailing Address: 1 Valley St, OAKLEIGH SOUTH VIC 3167

Property Owners

Property Owners	Mailing Address
T & N Super T1 Pty Ltd	1 Valley St, OAKLEIGH SOUTH VIC 3167

Location

Property Description	Override Notice Description
Lot 5 PS 337822B Parish of Mordialloc, Lot 9 PS 337822B Parish of Morc	
Titles	Land Use
CT-10256/967 CT-10256/971	310 - General Purpose Factory
Ward	Zone
05 - Banksia	IN1Z - Industrial 1 Zone

Assessment Details

Recovery Groups

[redacted]

[redacted]

[redacted]

[redacted]