PULP AND PAPER MILL (HUNDREDS OF MAYURRA AND HINDMARSH) (COUNCIL RATES) AMENDMENT BILL 1996

**House of Assembly, 5 June 1996, page 1703**

Second reading

The Hon. E.S. ASHENDEN (Minister for Housing, Urban Development and Local Government Relations) obtained leave and introduced a Bill for an Act to amend the Pulp and Paper Mill (Hundreds of Mayurra and Hindmarsh) Act 1964. Read a first time.

The Hon. E.S. ASHENDEN: I move:

*That this Bill be now read a second time.*

I seek leave to have the second reading explanation inserted in Hansard without my reading it. Leave granted. This short Bill seeks to amend the provision of the *Pulp and Paper Mill (Hundreds of Mayurra and Hindmarsh) Act 1964* which relates to the payment of Council rates to reflect an existing agreement between Kimberly-Clark Australia and the District Council of Millicent.

The Act ratifies an Indenture entered into in 1964 for a period of 50 years between the Government and Apcel Limited (now Kimberly-Clark Australia) in relation to the pulp and paper mill complex owned by Kimberly-Clark at Snuggery in the District Council of Millicent.

Section 4 of the Act which deals with local government rates was amended in 1976 to provide that the rates payable for the mill complex are to be a prescribed percentage of the ‘net annual value’ of the mill site and the mill. However, there have been difficulties in interpreting and applying this provision because ‘net annual value’ is not defined in the Act. Although the 1976 amendment was probably drafted in the context of the rating provisions of the *Local Government Act 1934* and the definitions of the *Valuation of Land Act 1971* as they were in force at that time, these provisions and definitions could not be applied to the assessment of ‘net annual value’ required by section 4. This left valuation authorities with little guidance in arriving at ‘net annual value’, other than English cases decided before 1925.

As a result of this ambiguity, and Millicent Council’s desire to rate the mill complex on a basis more consistent with local government rating provisions, an agreement between Council and Kimberly-Clark was reached. The agreement provides that the mill complex be rated on the same basis as the surrounding rural properties, which is currently the capital value of the land, and be liable to the same rate in the dollar as those properties.

The agreement was phased in over several years and from the financial year 1994/95 Kimberly-Clark has paid rates equivalent to those paid by surrounding rural properties. This arrangement still provides some level of subsidy as the Council’s differential rating powers under the Local Government Act would, in the absence of these provisions, allow it to put in place a rating structure which would result in higher rates for the mill complex. The Bill is designed to ensure that the intent of the agreement will be preserved even if the Council should change its current rating policies and practices using the powers currently available to it under the Local Government Act.

Kimberly-Clark Australia and the District Council of Millicent have been involved in the development of this Bill and support the introduction of these provisions to formalise the practical arrangement which is now in place.

This Bill is a hybrid Bill.

*Clause 1: Short title*

This clause is formal.

*Clause 2: Amendment of s.4—Local Government rates*

This clause provides that the Company that operates the mill is liable to pay the District Council of Millicent general rates each financial year in respect of the mill site and the mill. The rates will be the same as those that apply to farming land in the vicinity of the mill. No other rates or charges under Part X of the *Local Government Act* may be levied by the council in respect of the mill or mill site. The new rates will apply to the 1996/1997 financial year and each subsequent year.

Ms HURLEY secured the adjournment of the debate.