


COUNCIL POLICY

Residential Vacant Land Rate	Adopted By Council:	01/03/18	
	Date/s Revised:	23/06/21; 24/07/24	
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	Document No:	CP041	
	Directorate:	Finance and ICT Services	
	Responsible Officer:	Manager, Finance and ICT Services	

CONTEXT

Council's Rating Strategy prescribes the manner in which the rating contribution is calculated and distributed, to ensure all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council. Council's differential rating, as detailed in its Rating Strategy, includes a residential vacant land rate.

PURPOSE

The purpose of this policy is to outline the objectives and principles applied in Council's identification of residential vacant land, and the subsequent application of a residential vacant land rate in accordance with Council's adopted Rating Strategy and its adopted Budget. This policy sets out the manner in which the residential vacant land rate is administered.

POLICY

The policy principles that form the basis of this policy are:

- The residential vacant land rate will be applied to all assessments which continue to be vacant as at the commencement of the new financial year;
- A pro-rata reduction in rates will be applied to those assessments for which construction is completed and a certificate of occupancy is issued during a financial year;
- There may be instances where a property changes status from residential to residential vacant land during the year. If a building permit is lodged with Council within six months from the date of issue of Section 29A being issued for demolition, the general rate will continue to be applied. If no permit is lodged during this six month period, the property will revert to residential vacant land status and the relevant residential vacant land rate will be applied;
- Green Waste and Kerbside Waste charges will not be applied to residential properties which remain vacant during the financial year, noting subsequent occupancy will result in the property being subject to pro-rata Green Waste and Kerbside Waste charges; and
- All residential vacant land assessments remain subject to the annual Public Waste charge, regardless of any development of such land.

1. Calculation of the residential vacant land rate

The Borough of Queenscliffe uses capital improved value (CIV) as its valuation base for the calculation of rates.

The residential vacant land differential rate, as included in Council's Rating Strategy, is determined by applying a premium to the general rate.

The annual rate then applied to a residential vacant land property is calculated as follows:

$$\text{Property value (CIV)} \times \text{Residential vacant land differential rate} = \text{Annual rate}$$

2. Contiguous land

The *Valuation of Land Act 1960* is the principal Act in determining property valuations. In general, each separate occupancy determined by Council's independent valuer on rateable land must be valued and rated.

Contiguous areas of vacant land, with more than one title in the same ownership or residential property adjoining a separately titled vacant allotment with both titles in the same ownership, may be consolidated for rating purposes. This may in turn result in a net reduction in total rates applied to eligible ratepayers by Council, as well as reducing the State Government Fire Services Property Levy.

Officers may be able to provide guidance to ratepayers in their application to Council for their land to be treated as contiguous.

3. Waste management charges

The Borough of Queenscliffe provides three types of waste services, each of which is funded through full cost recovery by applying waste management charges to those ratepayers who are entitled to receive each service. There is no opt-out option offered by Council for its waste services. The eligibility of residential vacant land properties for each waste service is as follows.

3.1 Standard kerbside waste service

Residential vacant land properties are not entitled to receive a Standard kerbside waste service and, accordingly, are not required to contribute to the cost of such service.

3.2 Additional waste bin service - Food Organic & Garden Organic (FOGO)

Residential vacant land properties do not typically receive a FOGO service and, accordingly, are not required to contribute to the cost of such service. However, residential vacant land properties may be eligible to 'opt in' to Council's FOGO (additional waste bins service), provided they make an application to Council for this service and can demonstrate that there is a secure location for the storage of Council's FOGO bin. Should residential vacant land properties choose to receive an optional FOGO (additional waste bins service) waste service, they will be charged accordingly for the cost of this service.

3.3 Public waste service

All rateable properties within the Borough of Queenscliffe are required to pay Council's public waste charge, regardless of the property type and differential that applies.

4. Responsibilities

Ratepayers and Officers have key responsibilities, with respect to the application of rates to residential vacant land assessments, as set out below.

4.1 Ratepayers

Ratepayers are responsible for advising Council within 30 days, in writing, of a change in status of property from residential vacant land to a developed property (or vice-versa). Relevant correspondence should be addressed to the Rates Officer.

4.2 Rates Officer

The Rates Officer is responsible for maintaining the property database, which includes noting the status of residential vacant land and applying the relevant general rate or residential vacant land rate in accordance with Council's adopted Rating Strategy and adopted Budget.

4.3 Manager, Finance and ICT Services

The Manager, Finance and ICT Services is responsible for calculating the general rate and residential vacant land rate to be included in the annual budget for adoption by Council.

5. Confidentiality

Any information provided by ratepayers to Council in accordance with this Policy will be treated as strictly confidential.

CONTINUOUS IMPROVEMENT

This policy will be reviewed as a minimum in the first year of each new Council term, and as required.

DEFINITIONS

For the purposes of this policy, the following definitions apply:

Capital improved value (CIV) Total market value of the land plus buildings and other improvements.

Certificate of Occupancy An occupancy permit (certificate of occupancy) is required before a building can be occupied, if the building permit states that one is required. Building work for a new home will always require an occupancy permit to be issued. It is an offence to occupy a new home that does not have an occupancy permit.

Differential rates Section 161 of the *Local Government Act 1989* provides that a Council may raise any general rates by the application of a differential rate, if it uses the Capital Improved Value (CIV) system of valuing land.

Differential rates are set relative to the general or residential rate, by applying either higher or lower rates in the dollar of property value to other classes of property. Differentials should be applied to achieve specific local objectives. The Borough of Queenscliffe applies differential rates to commercial and tourist accommodation properties and to residential vacant land.

The objective of the residential vacant land rate is to include promoting housing development on vacant land, while continuing to ensure all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council.

General rate Applied in the calculation and distribution of the rating contribution across all rateable properties. Councils may levy either a uniform rate, whereby all rateable properties are charged based on the same rate in the dollar,

or one or more differential rates for different categories of rateable land. The Borough of Queenscliffe applies differential rates.

The objective of the general rate is to ensure all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

- construction and maintenance of infrastructure assets;
- development and provision of community services; and
- provision of general support services.

Land Includes land and any buildings, structures or improvements on this land.

Residential land Any land, which is:

- used primarily for residential purposes; and
- any land that is not defined as Commercial land, Residential vacant land or Tourist accommodation land; or
- any land which is zoned Residential under the Borough of Queenscliffe Planning Scheme on which a legally habitable building is erected but unoccupied.

Residential vacant land Residential vacant land is any land, which is:

- unoccupied but zoned Residential under Borough of Queenscliffe Planning Scheme; and
- not Commercial land or Tourist accommodation land; and
- vacant or with any uninhabitable shed or shelter (not a legally habitable building or structure, i.e. where no certificate of occupancy has been issued).

Residential vacant land rate A differential rate applied to residential vacant land, which is calculated at a higher rate in the dollar of property value to that of developed residential land.

Section 29A Requests may be lodged with Council, in accordance with Section 29A of the *Building Act 1993*, for a building permit to be issued for the demolition of a building on land within the municipality. In some circumstances, a planning permit is also required before demolition commences.

OTHER REFERENCES

Borough of Queenscliffe Adopted Budget
Borough of Queenscliffe Adopted Rating Strategy
Local Government Act 1989
Valuation of Land Act 1960
Building Act 1993

END