

COUNCIL POLICY



Infrastructure Special Rate or Charge Scheme		Policy No:	SCS-028
		Adopted:	5 July 2005
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Responsible Officer:	Project Development Engineer	Expiry Date:	30 June 2008
Authorised Officer:		Version No:	
		Director: Infrastructure	

1. PURPOSE

To establish a strategic framework for the application of financial contributions from property owners who receive special benefit from necessary infrastructure improvements, both in the rural and urban areas within the municipality, in a fair, equitable, consultative and consistent manner.

2. INTRODUCTION

The Shire manages an extensive range of physical infrastructure assets including roads, pathways, stormwater drains, buildings, recreational facilities and waste management facilities. The Shire relies on a number of sources for financial assistance in the provision of new or improved facilities, including shire rates and external grants. However, infrastructure demands exceed available resources.

Recent changes in legislation, such as the need to comply with the Road Management Act, are placing greater demand on Council services. Council has also prepared asset management plans for its various infrastructure assets and these have identified an urgent need to explore alternative ways (other than Council's Capital Works funds) to fund much needed infrastructure improvements in the Shire.

Council's 2004 Community Plan identifies a strong demand for extensive new or improved infrastructure, and to meet this demand, Council needs to review alternative funding sources. The Local Government Act provides Council with the power to raise funds from property owners who receive special benefit from the new or improved infrastructure works, so that these special benefits do not need to be subsidised by general ratepayers, under a process known as a Special Rate or Charge Scheme.

The intent of this policy and associated management procedure is to detail the circumstances and manner in which new or improved Infrastructure works are undertaken with financial contribution from property owners based on principles of fairness and equity. This contribution shall be obtained through a Special Rate or Charge Scheme having regard to the level of special benefit received by those properties and the level of benefit received by the community.

Community consultation and participation will play an important part in the development of specific projects. Many proposals will only be implemented if they have the strong support of property owners. Clause 163 of the Local Government Act does however empower Council to declare a drainage scheme in the interest of public health.

This policy reflects the objectives underlying recent amendments to the Special Charge Scheme provisions in the Local Government Act and its implementation is supported by the Ministerial Guidelines on Special Rates and Charges.

3. SCOPE OF THE POLICY

This policy applies to the construction of all new or improved infrastructure assets that benefit an identified group of property owners within the municipality.

Where private property development and new land subdivision requires new or improved infrastructure, the relevant planning permit requirements will normally require the developers to construct these new facilities or alternatively provide funding to the shire through a Developer Contribution Plan.

However, existing property abutting a new land subdivision may also benefit and where the developer is unable to obtain a contribution towards construction costs from these owners by agreement, then the Shire will consider enacting a special charge to recover costs from these owners.

4. DEFINITIONS

Special Rate or Charge Scheme – A financial arrangement, between Council and property owners as set out in the Local Government Act, to provide funds in relation to necessary infrastructure works that Council considers is or will be of special benefit to persons required to pay the special rate or charge.

Special Benefit - The benefit, resulting from the proposed infrastructure work, that is additional to or greater than the benefit to other properties.

Infrastructure Works consists of new or improvements to infrastructure such as roads, pathways, stormwater drains, buildings, recreational facilities and waste management sites

Property - refers to property in the form of land

Council – the council of the Surf Coast Shire.

Shire – the municipality its councillors, staff and ratepayers.

5. TRAINING REQUIREMENTS

The Shire will ensure that at least one of its officers has the appropriate skills and experience, including community engagement expertise, to prepare and administer a Special Rate or Charge Scheme.

6. POLICY

The Council acknowledges that it does not have the necessary financial resources or receive enough external grants to meet all the infrastructure demands of the municipality. Where it can be demonstrated that properties will receive a special benefit from implementing necessary infrastructure works, the Shire will implement the Special Rate or Charge process to provide some or all of the necessary funds depending upon the level of special benefit and community benefit received from such infrastructure works.

The calculation of “special benefit” will be undertaken in accordance with the September 2004 Ministerial Guidelines.

The Council acknowledges that there is a substantial amount of infrastructure within the Shire that is inadequate to match community expectation and the current level of development and therefore will prepare and maintain a prioritised schedule of projects for consideration by Council. Projects approved by Council will be implemented in accordance with this policy and approved procedures.

6.1 Policy Objectives:

1. To manage the Special Charge and Rate Scheme process in a manner that is open, transparent, and fair to all.
2. Use the consultative processes and technical design input to achieve innovative solutions to local problems.
3. To ensure the solutions developed are cost effective and affordable for the local community.
4. To ensure that the development of necessary infrastructure proceeds in a controlled, managed manner. This will involve the prioritisation of projects, having a regard to risk and other factors such as:
 - Health and Safety;
 - Amenity;
 - Environment;
 - Demonstrated need; and
 - Financial.

7. RELATED LEGISLATION

Local Government Act 1989 and subsequent amendments (Sections 154-156, 163-168 and 172).

8. RELATED POLICIES/PROCEDURES/GUIDELINES

Council Policies

- SCS – 005 Hardship Policy
- SCS – 014 Infrastructure Asset Management Policy

Other procedure & plans

- Special Rates and Charges Ministerial Guidelines, September 2004.
- Special Rate or Charge Scheme Management Procedure MPR
- Surf Coast Shire Council Plan 2005-2009
- Surf Coast Shire Strategic Resource Plan 2005 – 2010
- Surf Coast Shire Asset Management Plans
- Developer Contribution Plan
- Community Consultation
- MPR-024

9. QUALITY RECORDS

Record	Retention/Disposal Responsibility	Retention Period	Location
Special Charge Scheme & Requests / Register	Infrastructure Admin Officer	TBC	TBC
Special Charge Scheme & Projects Summary – Status Report on all Projects	TBC	TBC	TBC
Special Charge Scheme & Documentation – Standard Letters Templates Proformas	TBC	TBC	TBC
Database of contributors	Infrastructure Admin Officer	Until infrastructure works are complete	Electronic file location
Notice of Intention	Infrastructure Admin Officer Revenue Officer	Until scheme is finalised	Property
Declaration	Revenue Officer	Until scheme is paid	TBC

TBC = To be completed

10. POLICY IMPLEMENTATION

The special rate or charge process may be initiated by Council Representatives, members of the public, residents within the area, or Council Officers.

The final outcome of many proposals will depend to a large degree on the priority placed upon the work, the level of community support and available funding.

The Manager Infrastructure will be responsible for implementation of this policy.

11. ATTACHMENTS

No attachments.