

# COUNCIL POLICY



<b>Infrastructure Special Rate or Charge Scheme</b>	Document No:	SCS-009
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<b>Responsible Officer:</b>	General Manager Governance & Infrastructure	
<b>Authorising Officer:</b>	Chief Executive Officer	

## 1. Purpose

This policy outlines the circumstances and manner in which new or improved Infrastructure works are undertaken with financial contributions from property owners based on principles of fairness and equity. This contribution shall be raised 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.

## 2. Scope

This policy applies to all infrastructure improvements within Surf Coast Shire which are eligible for application of a Special Rate or Charge as defined in the Local Government Act 1989.

## 3. References

Local Government Act 1989 (Sections 154-156, 163-168 and 172).  
Special Rates and Charges Ministerial Guidelines - September 2004  
Surf Coast Shire Special Rate or Charge Scheme Management Procedure  
Surf Coast Shire Council Plan 2017-2021  
Surf Coast Shire Strategic Resource Plan 2018-2021  
Surf Coast Shire Asset Management Plans  
Surf Coast Shire Developer Contribution Plan  
Surf Coast Shire Community Engagement Guidelines  
Pathways Strategy  
Road Network Management Plan  
Unsealed Road and Street Network Strategy  
**Council Policies**  
SCS – 003 Rate Assistance Policy  
SCS – 005 Infrastructure Asset Management  
SCS – 017 Community Engagement Policy  
SCS – 019 Procurement Policy

## 4. Definitions

<b>Benefit Ratio</b>	The estimated proportion of the project cost that will accrue as a special benefit to the property owners liable to pay the Charge
<b>Council</b>	Council of the Surf Coast Shire.
<b>Gravel Resheet</b>	The supply, delivery, spreading and compaction of road pavement material
<b>Infrastructure Works</b>	Consists of new works or improvements to infrastructure such as roads, pathways, stormwater drains, buildings, recreational facilities and waste management sites.
<b>Precinct Approach</b>	The simultaneous application of a Special Charge Scheme to properties in a neighbourhood.
<b>Property</b>	Refers to property in the form of land.
<b>Shire</b>	Municipal district of the Surf Coast Shire.

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

**VCAT** Victorian Civil and Administrative Tribunal

## **5. Policy**

Where it can be demonstrated that properties will receive a special benefit from implementing necessary infrastructure works, the Council may implement a Special Rate or Charge process to provide some or all of the necessary funds. A proposed Special Rate or Charge will have regard to the level of special benefit and community benefit received from such infrastructure works and Council's capacity to finance the necessary cash flow requirements during the term of the Special Rate or Charge Scheme.

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

### **5.1 Policy Objectives**

- 5.1.1 To manage the Special Rate and Charge Scheme process in a manner that is open, transparent, and fair to all.
- 5.1.2 To use the consultative processes and technical design input to achieve innovative solutions to local problems.
- 5.1.3 To ensure the solutions developed are cost effective, affordable and of a standard that meets community expectations.
- 5.1.4 To ensure that the development of 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.

### **5.2 Specific Provisions**

- 5.2.1 Properties with subdivision potential – larger properties which demonstrate relatively higher subdivision potential when compared to other properties included in the scheme shall be apportioned special benefit which recognises additional lot yield calculated in accordance with the current zoning provisions. Property owners will have the option to defer the special charge on the additional lots (lots created after subdivision) until such time the subdivision is released (Statement of Compliance). A Section 173 Agreement, in accordance with the Planning and Environment Act 1987, will be required to enable deferment of the additional special charge. This provision is to defer the cost of a scheme until the value of the land is realised. This only occurs when the subdivision is released. The deferred special charge shall be indexed at the borrowing interest rate applicable at the time of declaration of the scheme.
- 5.2.2 Construction standard – A reduced construction standard through the use of gravel instead of crushed rock will be applied for low volume rural / coastal roads.
- 5.2.3 Council contribution – With the following exceptions, Council contribution to all special charge schemes will be based on the community benefit calculated in accordance with the Special Rates and Charges Ministerial Guidelines.

Should the costs to be contributed by the benefiting property owners be less than 10% of the total project cost or \$10,000, whichever is the lower, Council may determine to undertake the project without any contribution from the benefiting owners.

- 5.2.4 Payment terms – Property owners liable for scheme contributions over \$5,000 will have the option to pay the charge over a period of 10 years. The applicable borrowing interest rate will be applied to the unpaid special charge.
- 5.2.5 Objections to the scheme (Section 163 B of the Local Government Act 1989) – With the exception of schemes prepared in accordance with Section 163 B (2) of the Local Government Act 1989, Council will discontinue a scheme if more than 40% of the affected properties object to the scheme in instances where Council is seeking to raise over two thirds of the total project cost through the special charge.

### 5.3 Community Engagement

Community consultation and participation 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 1989 does however empower Council to declare a drainage scheme in the interest of public health.

Engagement with the affected property owners will include informal consultation before the formal process to prepare a Special Rate or Charge scheme is commenced. The consultation may include a detailed outline of the proposal and process, and community information sessions to enable exchange of ideas and information.

### 5.4 Policy Implementation

The Special Rate or Charge process may be initiated by Council Representatives or Council officers and requested by members of the public and residents within the area. The steps involved in this process are:

- Assessment of level of support for the scheme.
- Confirmation of the scope of work, benefitting properties and cost apportionment.
- Council resolution of its intention to declare a scheme.
- Opportunity for public submissions under Section 223 of the Local Government Act.
- Council resolution to either declare or abandon the scheme.
- Opportunity for affected property owners to appeal to the Victorian Civil and Administrative Tribunal (VCAT).

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

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

## 6. Records

Record	Retention/Disposal Responsibility	Retention Period	Location
Special Rate & Charge Scheme & Requests / Register	Executive Assistant – Governance & Infrastructure	Permanent	TRIM
Special Rate & Charge Scheme & Projects Summary – Status Report on all Projects	Manager Engineering Services	Permanent	TRIM
Special Rate & Charge Scheme & Documentation – Standard Letters Templates Proformas	Executive Assistant Governance & Infrastructure	Permanent	TRIM
Database of contributors	Executive Assistant Governance & Infrastructure	Until infrastructure works are complete	TRIM
Notice of Intention	Executive Assistant	Until scheme is	Council Minutes,

<b>Record</b>	<b>Retention/Disposal Responsibility</b>	<b>Retention Period</b>	<b>Location</b>
	Governance & Infrastructure Revenue Officer	finalised	TRIM
Declaration	Revenue Officer	Until scheme is paid	Council Minutes TRIM

**7. Attachments**

No attachments.