

1. Introduction

The Surf Coast Shire has a substantial number of roads, footpaths, stormwater drainage systems, and other infrastructure which is inadequate to meet current community expectations. The Council has adopted a policy that acknowledges that it alone "...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 may implement a Special Rate and Charge Scheme" .. which seeks financial assistance from the owners of benefiting property to provide some or all of the necessary funds. Council Policy also acknowledges that funding of necessary infrastructure improvement should be based on principles of fairness and equity to the whole Surf Coast community. A copy of this Policy is available from the website or by request to Customer Services Ph 52610600.

2. What is a Special Charge Scheme?

The Local Government Act of 1989 and subsequent amendments provides Council with the power to raise funds from property owners who receive special benefit from new or improved infrastructure works and services. Amendments to the Act in 2004 provide that Council may declare a Special Rate or Charge Scheme for any purpose, provided that it is in relation to the performance of a Council power or function (such as roads). Amongst other things the Act requires that Council can only declare a Special Rate or Charge Scheme for an amount greater than 2/3 of the total costs **if the majority of property owners don't object** – except in the case of a drainage project undertaken for public health purposes.

3. Why is a Special Charge Scheme necessary?

In adopting an Infrastructure Special Rate or Charge Scheme policy in 2005 and a subsequent update in 2012, Council acknowledged that the demand for infrastructure improvements exceeds the currently available financial resources. Where it can be demonstrated that properties will receive a special benefit from implementing new infrastructure works, Council will utilise the Special Rate or Charge Scheme process available in the Local Government Act to provide some or all of the necessary funds depending on the level of special benefit and community benefit received from the works. Council currently has a number of Special Rate or Charge Scheme projects in development or underway across the municipality. They range from drainage improvements through to provision of footpaths.

4. How does Council decide on the appropriate scope and standard of works?

For simple projects, the standards included in Council's Infrastructure Design Manual are adopted. For more complex projects a Community Reference Panel may be formed to determine the preferred community standard / expectations. A Reference Panel will always be appointed for schemes involving more than 100 properties.

5. How is Council contribution to the cost determined?

Under the Local Government Act provisions, Council is obliged to assess the wider community benefit provided by a proposed Scheme and must not require property owners to pay more than the cost of works that directly benefits them. This calculation is known as the Benefit Ratio. The Council contribution varies widely. Scheme Benefit Ratios have ranged from 0.09 – 0.95. In special circumstances Council may decide to contribute a greater amount. The Council Policy adopts a minimum Council contribution of 50% for pathways constructed under a precinct approach.

6. How are the costs apportioned?

The benefit received by individual property owners can vary. For road and pathway projects the benefit is often considered in terms of “access” and “amenity”. Often residential properties will have equal access. The length of the abutting property frontage might also reflect the relative amenity improvement. Because the works will provide long term benefit subdivisional potential of contributing properties needs to be considered. The updated Policy now allows deferment of the Charge until the subdivision proceeds.

For stormwater drainage projects both the properties generating the stormwater and those protected from flooding are considered beneficiaries. The area of a property can reflect the quantity of stormwater generated and may be adopted as a factor in apportioning costs.

7. How are the proposed charges calculated?

The individual property contribution depends upon the benefit received from the proposed works. Often the amounts contributed by individual owners vary. Once Council “declares its intention” to proceed with a Scheme, details of the individual property contributions are included in a public notice placed in The Surfcoast Times, are available on Council’s website, and posted to affected owners.

8. Who can object to a proposed Special Rate or Charge Scheme?

All affected property owners regardless of their street location or level of contribution have an equal “vote” indicating if they wish to object to or support a proposed scheme. Under the Local Government Act legislation, a Scheme that seeks more than 2/3 the cost of the total works cannot proceed if the majority of affected properties (owners) object, unless a drainage project is proposed for public health purposes. Under the current Policy, Council will discontinue a scheme if more than 40% of the affected owners object.

9. How can I comment on a proposed Special Rate or Charge Scheme?

Written submissions are required within 28 days of the public notice publication. A person who makes a written submission may also request to be heard before Council or its delegated Committee. After consideration of submissions Council may formally adopt the Scheme with or without minor modifications. Any material change or extension to include new property owners would require Council to recommence the process. Following formal declaration of a Scheme, property owners may refer concerns to the Victorian and Civil Administrative Tribunal (VCAT) for review.

10. What role does VCAT play in reviewing Special Rate or Charge Schemes?

A Tribunal may uphold a Council decision, quash the Scheme or amend the Scheme in relation to property owners who have made submissions.

11. What are the payment terms for property owners?

The Rate or Charge apportioned to each property is required to be repaid over a set period. This varies from 4 to 10 years depending upon the financial amounts involved. Where an owner is liable for a contribution over \$5,000 the Council Policy provides an option to repay over 10 years. Property owners will be invoiced upon completion of the works and payments may be made by a lump sum or alternatively, by quarterly invoices. Alternative payment arrangements for cases of financial hardship may be considered in accordance with Council Policy. Payments other than a lump sum will be charged an interest rate on the principal amount at Council’s borrowing rate plus 1%.

12. How can I find out more information about the proposed Scheme?

Each of the contributing property owners is advised of the proposal. Details of the Community Reference Panel, notes and relevant supporting documents are posted on Council’s website.

13. Where can I see the final design, cost details and timetable for the proposed road and drainage works?

Approval of the Special Rate or Charge Scheme is usually based on a concept design which is included with the letter sent to property owners. The final design for the works will be developed after the Scheme is approved, often in consultation with a Community Reference Panel.

14. What happens if I don't respond to the letter of intention I receive from Council?

Council will assume that you do not object to the proposed Scheme.

You are encouraged to participate in the process. If you have any enquiries relating to your property or the broader issue of the Special Rate or Charge Scheme process, please contact Customer Service on phone 5261 0600 or email info@surfcoast.vic.gov.au