



SPECIAL CHARGE SCHEME POLICY

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CONTENTS

1. PURPOSE	3
2. POLICY STATEMENT.....	3
3. RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE	5
4. SCOPE OF POLICY	5
5. REFERENCES / ASSOCIATED DOCUMENTS	6
6. PRIVACY AND HUMAN RIGHTS CONSIDERATION	6
7. DEFINITIONS AND ABBREVIATIONS.....	6
8. SUPPORTING PROCEDURES / GUIDELINES	7
Special Charge Scheme Process	7
Appendix 1	8
Community Benefit Contribution for Urban Road Schemes	8

REVISION HISTORY *(Completed by Governance Officer)*

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1. PURPOSE

This Policy is to be used when preparing Special Charge Schemes for the provision of a defined service or element of infrastructure that provides a 'Special Benefit'^{*} to a particular section of the community. This policy takes into account the community's needs for access, amenity, safety and the environment.

This policy is designed to assist Council and members of the community in providing infrastructure such as; but not limited to: roads, kerb and channel, drainage, footpaths, bridges and relocation of services.

This policy will;

- provide a fair and equitable framework for the consideration of potential benefits derived by members of the community from proposed infrastructure;
- maximise opportunities for participation in consultation on proposed schemes and to provide objection rights;
- ensure Council has the ability to recover reasonable contributions from members of the community who will benefit from particular works without financially impacting upon all East Gippsland Shire ratepayers.

2. POLICY STATEMENT

The East Gippsland Shire Council is committed to the improvement of infrastructure and services to the community.

Consideration of a proposed Special Charge Scheme will apply to works from which a special benefit is derived to properties in residential, rural residential (higher density areas), industrial and commercial areas. The primary purpose of the proposed infrastructure will be taken into account to determine who will directly benefit from the works.

Construction of these works would increase the amenity of the benefiting properties, reduce maintenance costs and upgrade the presentation of towns within the Shire. There would generally be significant benefit to surrounding property owners by way of:

- alleviation of dust and drainage problems;
- improved levels of amenity and in many cases, safety; and
- improved property values.

Council will consider the implementation of a Special Charge Scheme to defray expenses associated with the cost of infrastructure deemed to provide a special benefit to properties. Section 163 of the *Local Government Act* (the Act) provides Council with the ability to recover reasonable contributions from people who will derive special benefits from particular works.

- a) Council will consider requests to implement schemes that originate from the public, Councillors or Council Officers.
- b) Prior to commencing the statutory processes, Council Officers will consider and determine the rationale applicable to each proposal, including the basis of benefit determination, standard of works and the proposed apportionment of cost. Council will ensure fairness and equity by formally assessing the proportion of the benefits of proposed works that will provide special benefits for the people included in the scheme.
- c) Projects will be prioritised using a standardized criteria which will include, where relevant:

^{*} Refer Definitions Section 7

- Road usage and hierarchy as outlined in the East Gippsland Planning Scheme;
- Condition rating as recorded in the Asset Management System;
- Significant improvement in amenity thus improving service levels;
- Receive the highest level of support by abutting landowners.

- d) Where Council is contributing less than one third of the total cost of the scheme and receives objections from persons liable to pay the special charge in respect of the majority of the rateable properties included in the scheme, then the scheme will be discontinued.

Where Council is contributing more than one third of the total cost of the scheme and receives objections from persons liable to pay the special charge in respect of the majority of the rateable properties included in the scheme then Council has the ability to determine if the scheme will proceed. This will be considered on a case by case basis.

- e) Council will contribute to the cost of the works where there is a community benefit:

Before calculating the benefit ratio, Council must consider if the proposed works or services will provide '*community benefits*'. Not all schemes have community benefits. In relation to Urban Road schemes, the minimum level of community benefit is outlined in Appendix 1 of this Policy, and Council may, on a case by case basis increase this contribution where it is considered to be appropriate.

Council is required to contribute where any Council owned or Crown land abuts the works.

- f) In accordance with Section 163 of the Act, Council Officers will maximise opportunities for participation and consultation on proposed schemes. The opportunity for submissions either supporting or objecting to the scheme will be provided as part of evaluation process.
- g) Construction will comply with Council's standards and construction practices.
- h) Administrative, design, supervision and project management costs shall be based on 12.5% of the cost of special benefit works included in the scheme, and will be included in the costs to be apportioned.
- i) Where there is a variation between the preliminary estimated costs and actual final costs, Council is empowered under the Act to vary a Special Charge in relation to the amount to be paid. Variations to the scheme will be conducted in accordance with Sections 165 and 166 of the Act, as outlined at the time of declaration.
- j) To ensure fair distribution of costs the apportionment to be applied to properties will, as a general rule, comply with the following:
- Half of the amount to be recovered from contributors equally divided into "benefit units" for each property in the scheme receiving a benefit from the works;
 - The remaining half of the amount to be recovered from contributors to be calculated at a cost per metre multiplied by the property frontage and/or one third of its sideage. For corner properties apportionment will be based on full frontage and one third sideage. The least dimension of the property will be considered frontage.
- k) A minimum 4 year instalment plan will be made available to contributors. Applicable interest will be set at 1% above Council's borrowing rate at the time.

Significant consultation is required to be undertaken with affected property owners to comply with Special Charge Scheme legislation, and the ability for the general public to comment on proposals is also required. This may include survey letters, public meetings and hearings for objectors if necessary.

Where survey letters are issued and a response not received, Council will consider that the person liable to contribute to the scheme is supportive of the proposal.

Information supplied to affected property owners will include:

- the scope of works of the special charge scheme;
- estimated project cost;
- estimated cost apportionment and contribution ratios;
- an explanation of the Special Charge Scheme process.

Refer to the Special Charge Scheme Process flowchart in Section 8.

Council will provide for open and transparent processes, encourage contributor input, and provide a fair, reasonable and equitable basis for apportioning costs.

3. RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE

These management positions are responsible for implementation and compliance monitoring of the policy in their work areas:

Party / Parties:	Roles and responsibilities:
Director Development	Oversight of the implementation of the policy and Strategic Owner of marinas,
Director Planning and Community	Strategic Owner of public open space infrastructure
Director Corporate	Strategic Owner of buildings and recreation reserves
Director Operations	Strategic Owner of roads and drainage
Manager Capital Projects	Implementation of the policy and management of any approved scheme

4. SCOPE OF POLICY

This policy applies to all persons and landowners including relevant Council Officers affected by a Special Charge Scheme.

5. REFERENCES / ASSOCIATED DOCUMENTS

Sections 163 - 166 of the *Local Government Act 1989*.

East Gippsland Planning Scheme

Ministerial Guidelines September 2004. ECM document number 2060243.

Community Engagement Policy and supporting procedure

6. PRIVACY AND HUMAN RIGHTS CONSIDERATION

All personal information collected by East Gippsland Shire Council in connection with this policy will be handled in accordance with all applicable privacy legislation and will be used only for the purpose of compliance with the Act. Personal information about an individual held by Council must only be used to carry out the primary or directly related purpose of collection. Furthermore, Council must not collect personal information unless the information is necessary for one or more of its functions.

Individuals have the right to make a complaint to the Victorian Privacy Commissioner if they believe their privacy has been breached.

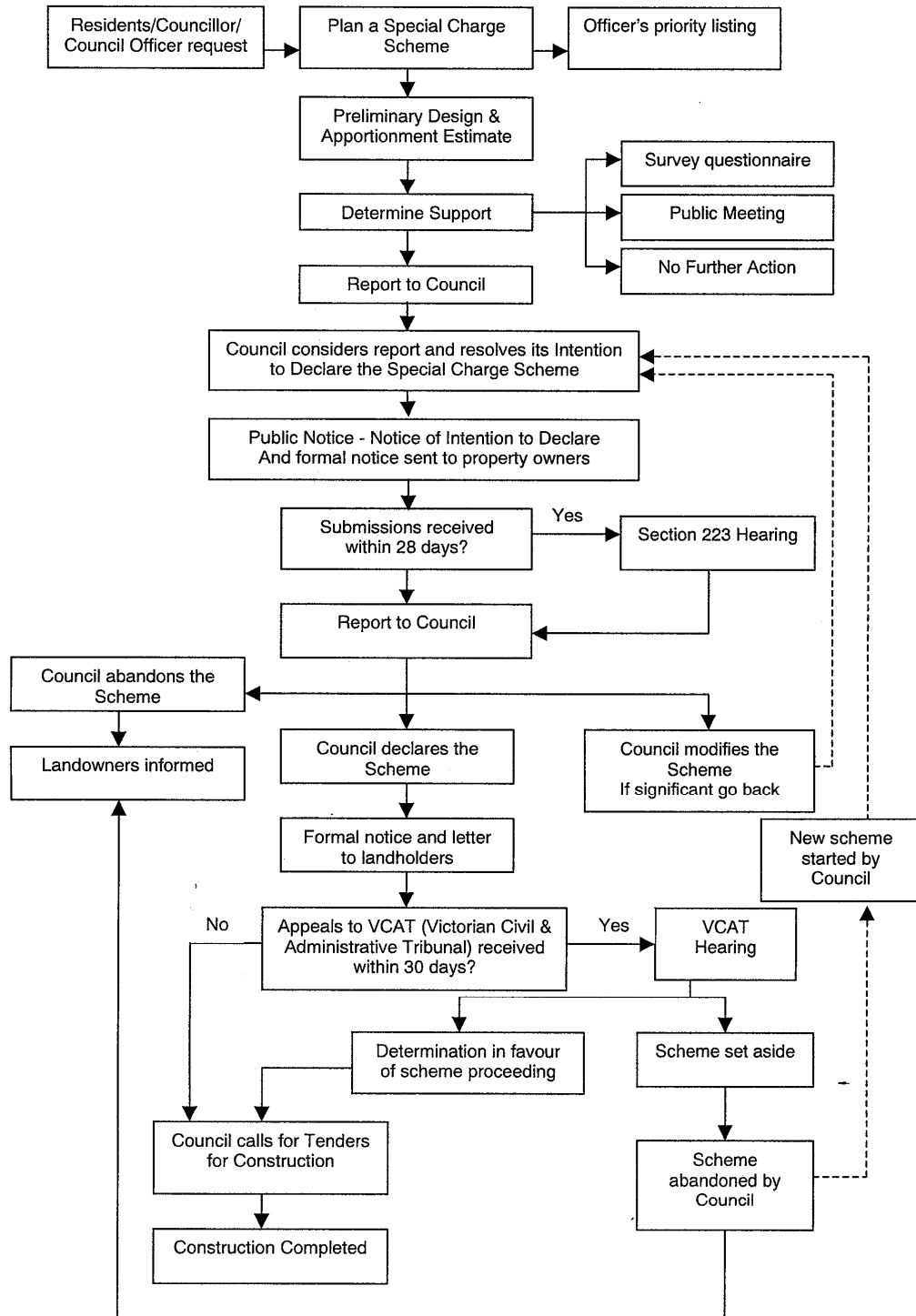
The Special Charge Scheme Policy has been assessed as compliant with the obligations and objectives of the Victorian Charter of the *Human Rights Responsibilities Act 2006*.

7. DEFINITIONS AND ABBREVIATIONS

Term:	Meaning:
Council	East Gippsland Shire Council
Community Benefit	Community Benefits are considered to exist where the works or services will provide tangible and direct advantages to people in the broader community e.g. collector roads, collector footpaths, main drains etc. These will generally derive from the provision of facilities or services that are generally available to people, other than the owners or occupiers of properties with special benefits. Where there is a use or amenity value to people in the broader community that is clear, tangible and direct, the Council will attribute a community benefit and will make a contribution dependent on the level of community benefit. For urban streets the table shown in appendix 1 will be used as the calculation for Councils minimum contribution.
Special Benefit	Special Benefit works are those that will clearly reward specific properties only and will be a full cost recovery, e.g. no through roads, easement drains, etc
Special Charge	As outlined in Section 163 of The Act.
The Act	Local Government Act 1989

8. SUPPORTING PROCEDURES / GUIDELINES

Special Charge Scheme Process



Community Benefit Contribution for Urban Road Schemes

The minimum level of contribution by Council for an urban road scheme is outlined in the table below.

Planning Scheme Road Hierarchy	Definition from Planning Scheme	Minimum level of Council contribution
Access Lane	A side or rear lane principally providing access to parking on lots with another street frontage.	10%
Access Place	A minor street providing local residential access with shared traffic, pedestrian and recreation use, but with pedestrian priority.	10%
Access Street – Level 1	A street providing local residents access where traffic is subservient, speed and volume are low and pedestrian and bicycle movements are facilitated.	20%
Access Street – Level 2	A street providing local residents access where traffic is subservient, speed and volume are low and pedestrian and bicycle movements are facilitated.	20%
Connector Street – Level 1	A street that carries higher volumes of traffic. It connects access places and access streets through and between neighbourhoods.	40%
Connector Street – Level 2	A street that carries higher volumes of traffic. It connects access places and access streets through and between neighbourhoods.	50%