



WARRNAMBOOL  
CITY COUNCIL

## **Special Charge Scheme Policy**

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## 1. INTRODUCTION

### 1.1. Purpose

The purpose of this policy is to set out the principles for the use of Special Rates & Charges schemes by Council, for the provision of infrastructure.

### 1.2. Scope

This policy applies to the provision of “new” and “upgrade” infrastructure where it can be demonstrated that special benefit can be applied to a property.

The special rate and charge process broadly includes the following:

- Community consultation.
- The special benefit test.
- The relevant legislation and precedent.
- Scheme preparation and apportionment.
- Council processes leading to the scheme determination.

### 1.3. Definitions

Definitions are in accordance with Section 163 of the Local Government Act, 1989 and “Special Rates and Charges” Ministerial Guideline, Local Government Victoria.

### 1.4. References

<b>Acts</b>	<ul style="list-style-type: none"><li>• Local Government Act 1989</li><li>• Planning and Environment Act 1987</li></ul>
<b>Standards or Guidance Materials</b>	<ul style="list-style-type: none"><li>• Special Rates and Charges Ministerial Guidelines including worked examples – September 2004</li><li>• Various determinations by the Victorian Civil and Administrative Tribunal and other Courts</li><li>• The Macquarie Special Rates and Charges Manual</li></ul>
<b>Related Policies/Procedures</b>	<ul style="list-style-type: none"><li>• Community Engagement Policy</li><li>• Community Engagement Guidelines and Tool Kit</li><li>• Special Charge Scheme Community Consultation Guidelines</li><li>• Debt Management Policy &amp; Procedure</li><li>• Records Management Policy</li></ul>

## 2. POLICY

### 2.1. Policy Statement

Council is committed to the improvement of infrastructure and services to the community.

Consideration of a Special Charge Scheme will apply to situations from which a special benefit is derived to properties in residential, rural residential (lower density areas), industrial and commercial areas for infrastructure including but not limited to roads, pathways, bridges, drainage and recreation.

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.

The following are the key principles that Council will apply to the consideration and development of Special Rates and Charges Schemes:

- i. Council will consider requests to implement schemes that originate from the property owners, Councillors or Council Officers.
  - Property owners are encouraged to initial and build support for schemes prior to consideration by Council.
- ii. 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 properties included in the scheme.
- iii. A database of Special Charge Schemes, including the status of the scheme to assist in long-term infrastructure planning will be maintained, and schemes prioritised using the following criteria in order of precedence:
  - a. Council Plan;
  - b. Service Strategies (i.e. Stormwater Drainage Strategy, Road Safety Strategy);
  - c. Service Plans (i.e. Stormwater Management Plan, Road Hierarchy Plan);
  - d. Asset Management Plans;
  - e. Identified through operational reviews (i.e. Road Safety Audits, Risk Assessments);
  - f. Included in Council's annual budget; and
  - g. Support from property owners receiving special benefit.
- iv. Council funding of the Special Charge Scheme is to be based on the calculated "community benefit" and where budget has been allocated.
  - a. Where Council is contributing less than one third of the total cost of the scheme and receives objections from property owners receiving special benefit in respect of the majority of the rateable properties included in the scheme, then the scheme will be abandoned.
  - b. Where Council is contributing more than one third of the total cost of the scheme and receives objections from property owners receiving 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.



- v. Council will contribute to the cost of the works only where there is a community benefit that can be calculated. Before calculating the benefit ratio, Council must consider if the proposed works or services will provide community benefits as not all schemes have community benefits and Council may, on a case by case basis increase this contribution where it is considered to be appropriate.
- vi. 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.
- vii. Construction will comply with Council's standards and construction practices.
- viii. Administration, design, supervision and project management costs shall be based on 15% of the total cost of works included in the declared scheme, and will be included in the costs to be apportioned.
- ix. Where there is a variation between the preliminary cost estimates 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.
- x. To limit the need to vary schemes which exceed preliminary cost estimates, a minimum of 10% contingency is to be included in the total cost of works.
- xi. Develop schemes on behalf of the community which address gaps in infrastructure networks, and fully fund potential schemes where:
  - a. The scheme is not able to include more than two (2) property owners; and
  - b. The total cost of the scheme is less than \$15,000 inclusive of GST.
- xii. A minimum 4 year instalment plan will be made available to contributors. Applicable interest will be set at 1% above Councils borrowing rate at the time.
- xiii. 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.
- xiv. Where survey letters are issued and a response not received, Council will consider that the property owner is supportive of the scheme proposal.
- xv. Council will provide for open and transparent processes, encourage contributor input, and provide a fair, reasonable and equitable basis for apportioning costs.

### 3. GOVERNANCE

#### 3.1. Owner

Manager Infrastructure Services

#### 3.2. Review

The Owner will review the policy for any necessary amendments no later than four (4) years after its formulation or after the last review.

#### 3.3. Charter of Human Rights Compliance

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (2007).

Warrnambool City Council is committed to consultation and cooperation between management and employees. The Council will formally involve elected employee health and safety representatives in any workplace change that may affect the health and safety of any of its employees.