



POLICY NUMBER 61

SPECIAL RATES AND CHARGES

DATE AMENDED: April 2010
DATE OF NEXT REVIEW: April 2013
DATE ADOPTED: 20 April 2010
RESPONSIBLE OFFICER: General Manager Infrastructure
General Manager Corporate Services

REFERENCES:

Best Value Principles

Hepburn Shire Council has the responsibility to provide its ratepayers with best value, with all services provided by Council meeting the expectations in terms of quality and cost. In providing this, all services need to be accessible, responsive to the needs of the community, considerate of the natural environment and subject to continuous improvement.

To achieve the best over life outcome for Council's expenditures, which meets quality and service expectations, there will be periodic review of services against best on offer in both the public and private sectors.

All Council staff members are responsible for supporting best value principles in their normal day to day actions to ensure services are recognised by the community as delivering best value.

Signed

KAYLENE CONRICK
Chief Executive Officer

1. INTRODUCTION

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

2. SCOPE

This policy details 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 wider community.

3. PURPOSE

To establish a strategic framework for the raising of financial contributions from property owners who receive special benefit from infrastructure improvements in a fair, equitable, consultative and consistent manner.

4. DEFINITIONS

Maintenance:

Expenditure on an asset which maintains the asset in use but does not increase its service potential or life, e.g. repairing a pothole in a road, repairing the decking on a timber bridge, repairing a single pipe in a drainage network, repairing the fencing in a park, repair work to prevent early failure of an asset or a portion of an infrastructure network.

Renewals:

Expenditure on renewing an existing asset or a portion of an infrastructure network, which increases the service potential or extends the life, e.g. resheeting part of a road, renewing a section of drainage network, major maintenance on bridges, resealing a road, replacing an existing footpath.

For the purposes of the special charge, scheme renewal projects are those defined in which the primary purpose of carrying out the works is to manage the asset i.e. extend its life. In many circumstances Council takes the opportunity to improve the service that is provided to minimum design standards. For example, when a road is renewed, which has failed and has a 3 metre seal, it is replaced with a 6.2 metre sealed pavement. In these circumstances these works are classified as renewal.

Upgrade Works:

Expenditure on upgrading the standard of an existing asset of infrastructure network to provide a higher level of service to users.

Upgrades would include, but not be limited to:

- Replacing drainage pipes with pipes of greater capacity;
- Upgrading the standard of a road from unsealed to sealed;
- Upgrading the standard of a road to a higher classification;
- Replacing an existing bridge with one having a greater carrying capacity; and
- Upgrading the standard of a road to include drainage and/or kerb and channel.

Expansion Works:

Expenditure on extending an infrastructure network, at the same standard currently enjoyed by existing residents, to a new group of users.

Expansion projects would include, but not be limited to:

- Extending a footpath on the road network;
- Extending the drainage network;
- Establishment of new carparks; and
- Development of new facilities.

5. LEGISLATION

- Local Government Act 1989 (the “Act”)
- Ministerial Guidelines – Special Rates and Charges, September 2004

6. POLICY

6.1 Works or Services

A Special Rate or Special Charge Scheme will be used to finance works and services in all circumstances permitted by legislation.

When considering infrastructure related projects, Special Charge Schemes will apply in circumstances where there is an upgrade or an expansion to infrastructure.

Maintenance and renewal works will not be considered for a Special Charge Scheme.

6.2 Developer Initiated Works

Where works are initiated by a specific development or planning requirement, and construction of that infrastructure provides obvious special benefits to those existing properties. Council will consider enacting a Special Rate or Charge Scheme to recover reasonable costs from those owners, subject to the following conditions:

- Agreement of the majority of owners to be a part of the scheme. Any identified community benefit, which Council would be required to fund, has

been considered in Council's budget process and is consistent with Council's forward works plans and strategies.

- The funding of works does not remove, override or delay the specific planning requirements.

6.3 Total Cost

For upgrade and expansion works relating to kerb and channel, footpaths or urban road reconstruction Council will contribute an amount calculated in accordance with the Ministerial Guidelines to the Act. Expenses related to the scheme include preparation, implementation, design, supervision and administration.

For other eligible special charge scheme infrastructure works Council will apply the Ministerial Guidelines to the Act.

At the completion of the scheme, the final cost of the scheme will be determined and the amounts to be recovered shall not exceed 110% of the adopted scheme estimate. Any expenditure above the 110% shall be borne by Council. Where the final cost of the scheme is less than the adopted scheme estimate the saving shall be returned to the contributors.

6.4 Apportionment

Apportionment of costs shall be on each property identified by Council as receiving a "special benefit" and has been included in the Scheme.

In determining apportionment, Council will have regard to the objectives in the Local Government Act (Part 1A) to ensure the equitable imposition of rates and charges.

Council will determine apportionment based on a range of factors, which may include:

- Equal split of special benefit charge amongst properties benefiting;
- frontage of lots receiving special benefit;
- area of lots receiving special benefit;
- use of lots receiving special benefit;
- a combination of apportionment criteria methods.

Council will model a variety of methods to demonstrate equitable apportionment of the special benefit amongst beneficiaries.

6.5 Consultation

Community consultation and participation will play an important part in the development of specific projects. Many proposals will only be implemented if they have significant support of property owners.

The extent of consultation will depend on the size and/or the likely impact of the proposed works, generally in accordance with the following:

- All consultation will, at a minimum, be in accordance with the requirements of the Act.
- For small projects that have demonstrated community support and/or are of limited complexity, consultation shall be undertaken in accordance with the Act.
- For larger more complex projects, or for projects in which community support is yet to be ascertained, consultation shall include:
 - On site meeting with beneficiaries prior to declaration of special charge scheme; and,
 - survey seeking written response from beneficiaries.

6.6 Objections Process

If Council proposes to contribute an amount less than $\frac{1}{3}$ of the proposed scheme's total cost, and Council receives objections from a majority of those landowners Council may not declare the scheme.

If Council proposes to contribute an amount that is equal to or greater than $\frac{1}{3}$ of the proposed scheme's total cost, Council may declare the scheme after considering objections.

6.7 Payment

That in respect of all special rates or charges the following conditions be included when the charge is declared and notice forwarded to the owner:

- The option of:
 - Payment in full within thirty (30) days of the request for payment.
 - Twenty (20) quarterly instalments over a period of five (5) years.
- Interest on instalment payments will be charged at the rate of interest linked to the official Cash Rate (as listed by the Reserve Bank of Australia) plus 1% as at the first day of each quarterly instalment.
- Outstanding payments that are not paid by the agreed time will be charged at the rate of interest linked to the official Cash Rate (as listed by the Reserve Bank of Australia) plus 1%.
- Requests for different arrangements for payment may be considered by the General Manager Corporate Services.