



Council Policy

Special Rates and Charges Policy

Department/Unit	<u>Investment & Planning</u>	First Implemented	18 Sep 2018	Review Date	<u>March 2027</u>
Origin	<u>General Manager Investment & Planning</u>	Reviewed	<u>September 2024</u>	Version	<u>2</u>
Authorising Officer	Endorsement by Council	Effective From	<u>18 March 2025</u>	TRIM Reference	E698

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Purpose/Objective

To establish a fair, equitable, consultative and consistent framework for the raising of funds via a special rate or special charge or a combination of both, levied on property owners who receive a unique benefit from infrastructure improvements or the introduction of a service. This may include the bringing forward of or giving a higher priority to, an infrastructure asset improvement, a new asset or a new service.

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Policy Statement

It is Council's policy to provide a fair, equitable and consistent approach in determining a special rate or special charge scheme for infrastructure works that may be initiated by property owners or Council.

Council may determine that property owners that receive special benefits from the infrastructure works or the provision of services should contribute an equitable share of the cost of those works through the application of a special rate and charge scheme. Council will implement such schemes in accordance with this policy, and section 163 of the Local Government Act 1989.

A special rate or special charge scheme will only be implemented by Council after consultation with the community and the scheme achieving significant support of property owners.

A Special Rate or Special Charge Scheme will only be used in circumstances permitted by legislation.

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When considering infrastructure related projects, Special Charge Schemes will be considered in circumstances where there is an upgrade or an expansion to infrastructure and a demonstrated willingness from property owners to make a financial contribution.

Maintenance and renewal works will not be considered for a Special Charge Scheme. Temporary dust suppression works, which, are classified as upgrade works, are of a temporary nature and will not be considered for a Special Charge Scheme.

Scheme Initiation

Scheme initiation can be by the following:

- ▶ Resident initiated proposal – property owners of a street or area approach Council with a written submission demonstrating majority support (minimum of 80%) from property owners that would be involved in the scheme, requesting Council consider this proposal for future capital works projects or delivery of services.
- ▶ Council will review the proposed and relative priority of the proposed works, having regard to risk and other factors such as:
 - Health and Safety;
 - Amenity;
 - Environment;
 - Demonstrated need; and
 - Financial.

Where the proposed works are not included in the current works program and are deemed to provide special benefit to property owners, then the following will occur:

- ▶ Assess initial interest of proposed works:

- identification of property owners receiving a special benefit;
- identification of general community benefit - to support possible contribution by Council;
- initial interest survey of benefiting property owners to determine if there is sufficient interest to cost the works/service and develop a Scheme; and
- Council to assess whether or not to proceed with development of a Scheme.

- ▶ If Council chooses to proceed with the development of a Scheme, the following will be undertaken:

- prepare concept design and cost estimate;
- determine proposed method of apportionment of costs amongst benefiting property owners;
- notify benefiting property owners of details of proposed scheme;
- undertake consultation as detailed below;
- amend details of the Scheme if required; and
- conduct survey of all benefiting property owners seeking support of proposed Scheme.

- ▶ Council determines whether to proceed with implementation of the Scheme, being guided by the level of majority support as set out in this policy. If proceeding with the Scheme, declare the scheme as per relevant legislation and Ministerial Guidelines.

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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 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 may commence with: ¶ A meeting/s with beneficiaries prior to declaration of special charge scheme: and ¶ A survey seeking written response from beneficiaries. ¶ If the process for implementing the scheme continues, consultation is undertaken in accordance with the requirements of the Act. ¶ Steps taken in the statutory process for consultation is as follows: Place a public notice of intention to declare special charge scheme inviting submissions prepare a report including submissions received from public and present to Council for consideration. ¶ Council may then declare or not declare the special charge-scheme. ¶ Scheme contributors are then advised of Council's decision. Levy notices are sent to the contributors if the scheme is declared. Aggrieved contributors are advised of their options if they wish to object. ¶ Aggrieved contributors are given 30 days to object to VCAT regarding the proposal. ¶ After 30 days if no objections are received, construction works may commence. ¶ Once works are completed and costs finalised, invoices are forwarded to contributors for payment. ¶

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 1989* (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 benefiting property owners;
- ▶ Frontage of lots receiving a special benefit;
- ▶ Area of lots receiving a special benefit;
- ▶ Use of lots receiving a special benefit; and

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

Council Contributions

Council will contribute a percentage of the total cost of works where a community benefit has been identified – as presented in the table below. Council generally funds the contribution for Community Benefit from rates income.

<u>% of Total Cost Contributed by Council</u>	<u>Community Benefit</u>
<u>0%</u>	<u>For proposals where there will be no benefit to the community. This will result in benefitting property owners the opportunity to pay off the charge over the <u>length of the scheme</u>.</u>
<u>20% - 30%</u>	<u>For provision of infrastructure where there is <u>some</u> community benefit and <u>also a localised benefit to the adjacent property owners</u>. For example, <u>new kerb and channel works or sealing of an unsealed access road</u>.</u>
<u>30% - 60%</u>	<u>For provision of infrastructure where there is a community benefit to the <u>broadier community as well as a localised benefit to the adjacent property owners</u>. For example, <u>new footpath works or sealing of a local collector road</u>.</u>

In assessing the cost of the scheme, actual expenses include preparation, implementation, design, supervision and administration.

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For upgrade and expansion works relating to kerb and channel, footpaths or urban road reconstruction Council will contribute a minimum of 50% of the total cost related to the implementation of a scheme, subject to consideration of the need and priority of the works.

Scheme Length

In determining the scheme length, consideration will be given to the following:

- ▶ the size of the expected contribution amount of each property owner beneficiary to the scheme;
- ▶ the value of the benefit to the property owners when associated with a service proposal; and

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- ▶ the benefit to the community associated with the infrastructure improvement investment.

Right to Appeal Council's Decision

A person may apply to VCAT for a review of Council's decision to impose a special charge on them. A person must apply to VCAT within 30 days of the notice of the special charge being issued to them. Section 185(2)(b) of the Local Government Act 1989 lists the grounds of appeal that VCAT may consider.

Completion of Scheme Financial Consideration

At the completion of the scheme, the final cost of the scheme will be determined and amounts to be recovered shall not exceed 10% of the adopted scheme estimate. Any expenditure above the 10% shall be borne by Council. Where the final cost of the scheme is less than the adopted scheme estimates the saving shall be returned to the contributors.

Deleted: For other eligible special charge scheme infrastructure works Council will apply the Ministerial Guidelines to the *Local Government Act 1989* (The Act). ¶
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Definitions

Term	Definition
<u>Community Benefit</u>	<u>is considered to exist where the works will provide tangible and direct benefits to people in the community.</u>
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 limited to: <ul style="list-style-type: none"> ▶ Extending a footpath on a road network; ▶ Extending the drainage network; ▶ Establishment of new car parks; and ▶ Development of new facilities.
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 increase the service potential or extends the life, e.g. re-sheeting part of a road, renewing a section of drainage network, major maintenance on bridges, resealing a road, replacing an existing footpath.
<u>Scheme</u>	<u>refers to a special rate or special charge scheme.</u>

Term	Definition
<u>Scheme Benefit</u>	<u>is considered to be provided to a property if the proposed works will provide a benefit that is additional to or greater than the benefit to other properties.</u>
Upgrade Works	<p>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 limited to:</p> <ul style="list-style-type: none"> ▶ 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 <p>Upgrading the standard of a road to include drainage and/or kerb and channel.</p>

Scope

This policy applies to new or improved infrastructure assets where property owners have indicated a willingness to contribute to the cost of the improvement.

This policy details the circumstances and manner in which new or improved infrastructure works will be considered for inclusion in Council's capital works program, based on an agreed financial contribution from property owners through a Special Rate or Charge Scheme. The size of the financial contribution will be determined having regard to the level of special benefit received by those properties and the level of benefit received by the wider community.

This policy applies to all Council employees, Councillors, contract employees, consultants, volunteers and other authorised personnel of Mansfield Shire Council.

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Responsibilities

Overall responsibility for the application of this Policy is held by the Chief Executive Officer.

Managers are responsible for ensuring their staff comply with the principles, practices and any associated procedures of this policy. Management, employees, contractors and volunteers are to be familiar with, and competent in, the application of this Policy, and are accountable for the delivery of this policy within their areas of responsibility.

The Investment & Planning Directorate is the owner of this policy. Any reviews of this Policy must be made in consultation with the General Manager Investment & Planning.

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References / Related Policies

- ▶ Local Government Act 1989 (the Act)
- ▶ Ministerial Guidelines – Special Rates and Charges, September 2004
- ▶ [Mansfield Shire Council Community Engagement Policy](#)
- ▶ [Mansfield Shire Council Special Rates and Charges Procedure](#)

Gender Impact Assessment

The [Special Rates and Charges Policy](#) has considered the *Gender Equality Act 2020* in its preparation but is not relevant to its content. The [Policy](#) has been assessed as not requiring a [Gender Impact Assessment \(GIA\)](#).

[The Policy is purely administrative in its nature and does not have the potential to influence broader social norms and gender roles.](#)

Implementation

This Policy is effective from [18 March 2025](#).

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Review Date

This Policy is to be reviewed by [March 2027](#).

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Authorisation to Implement Policy

Signed: _____ Witnessed: _____
Councillor Chief Executive Officer

Approval dated: [18 March 2025](#)

Deleted: 18 September 2018

Mansfield Shire Council reserves the right to review, vary or revoke this Policy at any time.