



Special Charge Scheme Policy

(Property Owner Contribution for Infrastructure Improvement)

Version (No) 4

Approval Date: (8 April 2024)

Review Date: (March 2032)

DOCUMENT CONTROL

Responsible GM	GM Regional City Planning and Assets	
Division	Regional City Planning and Assets	
Last Updated (who & when)	Manager City Assets	2024
DOCUMENT HISTORY		
Authority	Date	Description of change
Council	Click here to enter text.	
References	Refer to Section 8 and 9 of this policy	
Next Review Date	2032	
Published on website	Yes	
Document Reference No		

1. Background

Special Charge Schemes provide a legislated process by which Council can levy property owners a rate or charge in addition to statutory rates and fees to contribute to the cost of new infrastructure or upgraded infrastructure in situations where a group of property owners receive a special benefit that does not extend to other property owners within the municipality.

Overtime Council infrastructure has been either constructed by Council or gifted to Council through land development. The standard of infrastructure and the level of infrastructure provision reflects the prevailing standards of the time of development.

Contemporary infrastructure provision standards for land development require a higher level of infrastructure provision than the requirements that prevailed in the past. The level of infrastructure provision may positively influence property values at the time of original sale and continue to influence property values through time.

Upgrading infrastructure within a neighbourhood can provide a special benefit to property owners in terms of amenity and/or property value in isolation to other property owners in the municipality.

Provision of a special benefit is the foundation that underpins the legislative mechanism for Council to levy benefiting property owners.

Latrobe City Council subject to available funding will support Special Charge Schemes that facilitate the upgrade of infrastructure to the extent that the upgrade is up to the level of infrastructure provision outlined in this policy.

Infrastructure provision zones for the purposes of this policy are linked to like land use based on the current land use and while reflective of planning scheme zones are not the same.

Property including road reserves has been classified to an Infrastructure Provision Zone as per Table 1.

Table 1: Latrobe City Council Infrastructure Provision Zones

URBAN:	RURAL:
Activity Centre	Hamlet
Neighbourhood	Rural Living
Industrial	Agrarian (General farming & Rural activities)
Small Town	Remote (Includes Remote Rural Living)
Low Density Residential	
Farming	

Provision and standard of infrastructure for each Infrastructure Provision Zone is outlined in Appendix 1. This Attachment forms a key reference when assessing expressions of requests for infrastructure improvements under this policy.

A map depicting the infrastructure Provision zones is attached as Appendix 4.

2. Objectives

The objectives of this policy are:

- To ensure all relevant circumstances are properly defined and considered when Special Charge Scheme requests are reported to Council for adoption.
- To ensure fair, reasonable, and consistent practices are followed to maximise opportunities for community participation and consultation in relation to Special Charge Schemes.
- To ensure fairness and equity in the imposition of Special Charges and the apportionment of costs based on total benefits, including special benefits and community benefits, for the property owners included in Special Charge Schemes.
- To ensure the resources of Council are used to best meet the needs of the local community.
- To ensure compliance with the requirements of the *Local Government Act 1989* in relation to the performance of the functions of Council and the exercise of its powers in connection with the declaring and levying of Special Charges.
- To ensure transparency, accountability and consistency in Council decision making.
- Not to supersede Australian Standards, Latrobe City Planning Scheme, or current greenfield development standards.

3. Scope

The application of Special Charge Schemes is restricted to the provision of and/or upgrade of infrastructure up to the Infrastructure Provision outlined in this policy which provides a special benefit to specific property owners for the following infrastructure improvements:

- a) Sealing / upgrade of roads
- b) Construction of kerb and channel
- c) Construction of pathways and pathway infrastructure
- d) Construction of CFA and Garbage truck turning points
- e) Upgrade of road drainage
- f) Provision of traffic management (LATM) infrastructure
- g) Provision of footpaths and pedestrian infrastructure
- h) Provision of parking
- i) Provision of public lighting
- j) Provision and/or upgrade of drainage (Stormwater) infrastructure
- k) Provision of street trees and streetscape improvements.

This policy is to be implemented in compliance with Sections 163 – 166 and Section 221 of the *Local Government Act 1989* and the *Special Rates and Charges Ministerial Guidelines 2004*.

The Act and the Guidelines should be referenced as required to support the implementation of this policy, including the calculation of contributions.

4. Principles of Management

In accordance with Section 163 of the *Local Government Act 1989*, Council can impose a special charge for works or services on owners of property who Council believes receive a Special Benefit from the provision of those works or services.

In September 2004, Local Government Victoria established the *Special Rates and Charges Ministerial Guidelines* which ensure the schemes are fair and equitable.

Execution of this policy will ensure compliance with the *Local Government Act 1989* including amendments introduced via the *Rating and Other Matters Bill 2022*.

The *Local Government Act 1989*, Local Government Legislative Amendment (Rating and Other Matters) Act 2022, the *Special Rates and Charges Ministerial Guidelines 2004*, and The Macquarie Special Rates and Charges Manual (A practical guide for local government – Macquarie Local Government Lawyers 2012) should be referenced as required to support the implementation of a Special Charge Scheme. The referencing of these documents is advisable for guidance on the calculation of contributions and the principles for apportionment of costs between benefiting property owners based on the relevant considerations of each situation.

5. Special Charge Scheme Process

Considerable resourcing is involved in investigating, initiating, undertaking consultation with property owners, and the administration of a proposed special charge scheme. To ensure that Council's resources are utilised effectively a requested scheme requires demonstrated support of landowners in the form of a joint letter (expression of interest for new or upgraded infrastructure) signed by at least half of property owners who would be liable to contribute to a proposed scheme:

The process to implement a Special Charge Scheme is outlined in Appendix 3 and includes the following steps.

Initiation Phase

- Receipt of Joint EOI for Infrastructure Improvement
- Preliminary Consultation
- Public Information Session
- Formal Consultation
- Referral to Council for consideration and design budget allocation

Development Phase

- Design development
- Working Group formation

- Referral to Council for consideration and budget allocation for design
- 1st Meeting - Initial presentation of design and design feedback
- 2nd Meeting - Final Information Session
- Referral to Council for consideration and budget allocation for works

Statutory Phase

- Declaration of Councils Intention to declare a SCS
- Public notification and notification of property owners
- Formal declaration of SCS
- VCAT review period
- Councils consideration of any determination by VCAT

Implementation and Close-out Phase

- Notice for payment and issue of invoices
- Review of any requests under the Hardship Policy
- Works tendered and completed
- Cost reconciliation
- Issue Final Cost Statements to property owners
- Issue final adjustment invoices/refunds.

6. Accountability and Responsibility

Accountability and responsibility for this policy is outlined below.

Council

- Responsibility to ensure this Policy is consistent with Latrobe City Council Strategic Direction and other Latrobe City Council Policy
- Responsibility for the decision to approve this Policy by Council Resolution

Chief Executive Officer

- Overall responsibility for compliance with this policy
- Overall responsibility for enforcing accountability
- Overall responsibility for providing resources
- Overall responsibility for performance monitoring

General Manager

- Responsibility for compliance with this policy
- Responsibility for enforcing accountability
- Responsibility for providing resources
- Responsibility for performance monitoring

Manager

- Develop frameworks and procedures in compliance with this policy
- Enforce responsibilities to achieve compliance with frameworks and procedures
- Provide appropriate resources for the execution of the frameworks and procedures

Employees, Contractors and Volunteers

- Participate where required in the development of frameworks and procedures in compliance with this policy.
- Comply with frameworks and procedures developed to achieve compliance with this policy.

7. Evaluation and Review

This policy will be reviewed on request of Council, in the event of significant changes legislation applicable to the subject matter of the policy or, in any other case, during each Council term (generally four years).

8. Definitions

Special Benefit

A "special benefit" is considered to be provided to a property if the proposed works or services will provide a benefit that is additional to, or greater than, the benefit to other properties.

Benefit Ratio

The ratio of the benefit received by those property owners included in a special charge scheme divided by the total benefit that the infrastructure improvement provides which includes the sum of the benefits to:

- Property owners included in the spec charge scheme
- Property owners that are excluded from the scheme (ie state government)
- All the other property owners of the municipality.

9. Related Documents

List all related Latrobe City Council Policies, Frameworks and Procedures.

10. Reference Resources

Local Government Act 2020

Special Rates and Charges Ministerial Guidelines, 2004

11. Appendices

Appendix 1- Special Charge Scheme – Infrastructure Provision

Appendices 2 - Special Charge Scheme – Benefiting Property Owner Contribution

Appendix 2a for application from 8 April 2024 to 30 June 2024.

Appendix 2b for application from 1 July 2024 to 30 June 2025.

Appendix 2c for application from 1 July 2025 to 30 June 2026.

Appendix 2d for application from 1 July 2026 onwards.

Appendix 3 – Special Charge Scheme – Process Chart

Appendix 4 – Special Charge Scheme – Infrastructure Provision Zones Map