

Frequently Asked Questions

Jam Jerrup - Road and Drainage Upgrade Project



What is Council's contribution to the Project?

A benefit ratio will be determined by Council. The benefit ratio is a calculation of the benefits received by the properties within the special charge scheme compared to benefits received by the wider community. Council contributes financially towards the benefits received by the wider community. The benefit ratio is calculated using traffic count data, parking surveys and census information.

How are individual property owner costs determined?

The contribution required by the property owners within the scheme is shared to each property based on various factors such as boundary length (road costs) and property area (drainage costs). Properties that have a large area (greater than a large double block) or long property boundary length adjacent to the road (greater than 30m) are capped to ensure costs are fair and reflective of the benefits received by property owners.

Costs relating to any road upgrades are traditionally determined by sharing 75% of costs equally amongst all property owners and sharing the other 25% based on individual property boundary lengths. Costs relating to any drainage upgrades are traditionally split based on property size.

The questionnaire provided uses average indicative cost ranges to help property owners make informed decisions. Once a preferred concept design is determined, property owners will be presented with their properties estimated contribution amount (special charge) and will be able to formally support or object to the proposed costings.

Will the special charge scheme cost for each property owner be the final amount?

An estimate of costs (special charge) for each individual property will be provided to property owners prior the road and drainage project declaration. This is required to be provided to property owners at least 28 days in advance of a special charge declaration. An estimate of cost can only be provided as the actual costs will be determined when the project construction is completed. In accordance with the Local Government Act, Council are able to increase the charge by a maximum of 10% if the actual project cost increases. It is rare to increase the costs but is at Council discretion to enact if required. If the project cost is less than estimated, then savings are returned to the property owners.

What are Council's payment options for the special charge?

Although there is no payment required at this stage, if the project was supported by the community and developed further as a project, the following payment options will be available:

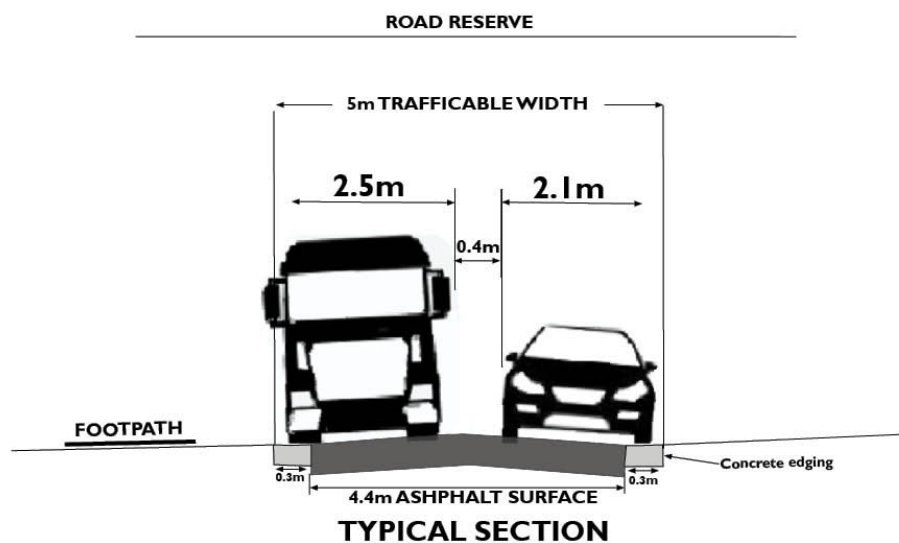
- a) Payment Option 1: Lump Sum Payment – upfront payment of the Special Charge in full within 30 days of the date of issue of an invoice, with a 5% discount and no interest.
- b) Payment Option 2: Lump Sum Payment – upfront payment of the Special Charge in full within 90 days of the date of issue of an invoice, with no discount and no interest.
- c) Payment Option 3: Instalment Payment Plan – payment of the Special Charge in 40 quarterly instalments over 10 years, with interest. Interest will be charged on the reducing balance of the principal each quarter at the rate of 1% above the estimated borrowing costs of the Council. If a ratepayer is late with payment of an instalment, penalty interest will be charged on the balance of principal due each quarter.
- d) Payment Option 4: Hardship Payment Plan - a payment plan, extended beyond 10 years to a maximum of 20 years, tailored to the individual needs of the ratepayer upon receipt of a completed Financial Hardship Application Form. Interest will be charged on the reducing balance of the principal each quarter up to the maximum rate of 1% above the estimated borrowing costs of the Council. This option is subject to the Council assessing the property owner as experiencing financial hardship, in accordance with the Council's Hardship and Financial Hardship Policy.

Property owners will be advised of the interest rate available prior to selecting a payment option if the project is supported for construction.

You can find other Frequently Asked Questions on Council's Engage Website at www.engage.basscoast.vic.gov.au/jam-jerrup.

Example road cross sections

5m trafficable width (Foreshore Road) – concrete edging, no drainage



5m trafficable width (Foreshore Road) – drainage with kerb and channelling

