Frequently Asked Questions

Road and Drainage Upgrade Projects
Batman Street

What is a special charge scheme?

A special charge scheme is a way for Council to raise money for an upgrade by sharing the cost of the upgrade between Council and the property owners that benefit from the upgrade. This is allowed by the *Local Government Act 1989*. Thanks to this, many towns now have improved roads and drainage which has led to less dust and flooding.

The aim of this project is to ensure that residents get the infrastructure that is expected when living in a residential area. The people who live there will get the benefits that come with these improvements.

Road and drainage upgrade projects are undertaken in accordance with Council's Urban Road and Drainage Improvement Policy 2024.

I pay rates, why do I have to pay for an upgrade?

The Council uses money from rates to provide many services, including road maintenance. However, this money does not cover new improvements like building unsealed roads, kerbs, footpaths, or drainage if they don't already exist.

The Council has a policy called the Urban Roads and Drainage Improvement Policy 2024. This policy says that the cost of substantial upgrades to roads, drainage, or footpaths must be shared by the property owners who benefit the most from these improvements.

How have individual property owner costs been determined?

The contribution required by the property owners within a scheme is shared to each property based on various relevant factors such as property area (drainage costs), and boundary length and an equally shared component (road costs).

Indicative costs have been provided at this stage so that property owners can make an informed choice about their preferred design concept. This cost may change depending on the design inclusions chosen by property owners.

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.

What is Council's contribution to the Project?

Council contributes financially towards the benefits received by the wider community. The amount of Council contribution is determined by a benefit ratio. 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. For example, streets that have a high level of use by people who do not live on them will have a greater Council contribution, whereas streets that are used mainly by residents within the scheme area will have a lower Council contribution.

The benefit ratio has been calculated using traffic count data, parking surveys and census information.

The benefit ratio used to determine the split of costs between Council and property owners is 0.4 (Council would contribute 60% and property owners would contribute 40%). This benefit ratio is preliminary only and may change as the project is developed further.

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 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 the next steps?

Property owner responses to the questionnaire will be used to determine the preferred concept design. A summary of the feedback received will be provided to property owners in the months following the questionnaire period.

The preferred concept design and estimated contribution amount (special charge) will be presented at a future Council meeting to make an 'Intent to Declare'. This starts the legislative process and allows property owners to make a formal submission of support or objection to the proposed scheme. Property owners will be contacted directly once Council makes an 'Intent to Declare' with further details on how to make a submission.

Following consideration of all submissions and objections, Council will determine whether to declare (proceed) or abandon the scheme. In some instances, a scheme may need to be re-initiated if a major alteration is required.

I do not want the upgrade to go ahead? How can I object?

Property owners liable to pay the special charge will have an opportunity to formally support or object to the proposed scheme prior to declaration. This is legislatively required under the *Local Government Act 1989*.

Submissions and/or objections can only be submitted once the Council has made an 'Intent to Declare'. The date for this has not yet been determined.

All property owners will be contacted directly once Council makes an 'Intent to Declare' to inform them of their right to object to the proposed scheme.

We encourage those who oppose the upgrade to still complete the preferred concept questionnaire. This will allow you to have a say in the adopted design if the project is ultimately supported by 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.

Is financial hardship assistance available?

If the special charge scheme was approved in the future and you believe that you may have difficulty paying, please contact Council's Revenue Services team on 5671 2211. Our officers are more than willing to confidentially discuss payment options with you, taking into account your current situation. Ratepayers who reside in the affected property and their only form of income is a government pension may qualify for hardship assistance. A copy of Council's Hardship and Financial Hardship Policy can be found on our website at www.basscoast.vic.gov.au/policies.

Who can I contact if I have any questions?

You can ask questions by calling Bass Coast Council's Customer Service Team on 1300 BCOAST (226 278) or (03) 5671 2211. Please ask for Council's Sustainable Transport and Movement Team. You can also email us at roadupgrades@basscoast.vic.gov.au.